



**PDOIL**

**POONA DAL AND OIL INDUSTRIES LTD.**



**20<sup>th</sup>**

**ANNUAL REPORT**

**2011-2012**

## **BOARD OF DIRECTORS**

Mr. Pradip P. Parakh	Chairman & Managing Director
Mr. Mahendra S. Mehta	Director
Mr. Jitendra H. Palnitkar	Director
Mr. Ayushman Mehta	Director
Mr. Pankaj C. Baldota	Works Director
Mr. Shailesh C. Doshi	Works Director

## **REGISTERED AND CORPORATE OFFICE**

103/104, Industrial Estate, Hadapsar Pune 411 013, Maharashtra, India.  
E-Mail : pdoil@pdbmgroun.com  
Phone : (020) 26816020, 26816024,  
Fax : (020) 26816021

## **LOCATION OF PLANTS**

Gat No. 366 Shikrapur  
Tal. Shirur, Dist. Pune 412 208,  
Maharashtra, India

E 2, Kurkumbh MIDC  
Kurkumbh, Tal. Daund, Dist. Pune - 413 801  
Maharashtra, India

## **BANKERS**

Central Bank of India, Pune  
Corporation Bank, Pune

## **AUDITORS**

M/s. M. Z. Gandhi & Co. (Chartered Accountants)  
103, Ekta Complex, Sadashiv Peth, Pune 411 030.

## **REGISTRARS & TRANSFER AGENTS**

**SHAREX DYNAMIC (INDIA ) PVT. LTD.**  
Unit 1, Luthra Ind. Premises, Safed Pool,  
Andheri Kurla Road, Andheri (E), MUMBAI 400 072  
E-Mail : sharexindia@vsnl.com  
Phone : (020) 28515606, 28515644





**NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF POONA DAL AND OIL INDUSTRIES LIMITED WILL BE HELD ON SATURDAY THE 22<sup>ND</sup> SEPTEMBER, 2012 AT 3.00 P.M. AT 103/104, HADAPSAR INDUSTRIAL ESTATE, PUNE- 411013 TO TRANSACT THE FOLLOWING BUSINESS**

#### **ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit and Loss account for the year ended as on that date together with the Directors' Report and the Auditors' Report thereon.
- 2) To Declare a dividend
- 3) To appoint a Director in place of Mr. Mahendra Mehta who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Pankaj Baldota who retires by rotation and being eligible offers himself for reappointment.
- 5) To appoint auditors and to fix their remuneration.

#### **SPECIAL BUSINESS**

- 6) To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Board of directors hereby appoints of Mr. Shailesh C. Doshi as Whole Time Director of the Company designated as Works Director of the Company's plant located at E 2, Kurkumbh MIDC, Kurkumbh, Tal. Daund, Dist. Pune - 413801 for a period of two years with effect from 1<sup>st</sup> June, 2012 upon the terms and conditions including remuneration finalized on the basis of recommendation of remuneration committee and as set out hereinafter with liberty to the Board to alter and vary the terms and conditions of the appointment and also as not to exceed the limits of remuneration as specified in the Companies Act, 1956 or any amendments thereto."

#### **DUTIES AND FUNCTIONS**

- The Works Director shall conduct the day-to-day management of and shall be responsible for operations of and will have the ultimate control of the affairs of the Company's plant located at Kurkumbh subject to the supervision and control of the Managing Director and the Board of Directors of the Company.
- The functioning of the Works Director shall be subject to the superintendence and control of the Board of Directors.
- For the purposes of the Factories Act 1948, the Works Director shall be deemed to be the occupier and notices in this regard shall be given to the Chief Inspector of Factories. He shall be the responsible officer for the management and compliance of all Industrial and Labour Laws and regulations made thereunder applicable to the Company and its factory located at Kurkumbh. He shall be responsible for registration of the establishment required under various Industrial and Labour Laws, submission of appropriate returns to several authorities and maintenance of appropriate records with regard to employees of the establishment under various labour legislations.
- Matters relating to availment of finance and loan matters shall be decided by the Board of Directors and not by the Works Director.
- The Works Director shall not engage directly or indirectly in any other business, occupation or employment. He shall not work with the competing company carrying on the same business as long as he is functioning in the Company.
- The Works Director shall not disclose any business secret, business plans, policies of the Company to any person, firm, companies and on termination of his employment for any reason whatsoever, he shall return all the documents, copies of literatures, map, to the Company.
- The Works director shall be liable for retirement by rotation.



**"RESOLVED FURTHER THAT** the Works Director, during his tenure be entitled to remuneration of Rs. 30,000/- per month and to such perquisites and allowances as may be fixed by the remuneration committee and approved by the Board of Directors."

**"RESOLVED FURTHER THAT** the appointment as Works Director shall cease upon him ceasing to be a director; he may however continue in employment at the pleasure of the Board of Directors of the Company."

**"RESOLVED THAT** the Board of Directors be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

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

**"RESOLVED THAT** Mr. Ayushman Mehta who was appointed as an Additional Director by the Board under section 260 of the Companies Act, 1956 and Article 107 of the Articles of Association of the Company and who holds office only upto the date of this Annual General meeting and in respect of whom the Company has received notice, under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company."

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

**"RESOLVED THAT** pursuant to the provisions of section 293(1)(d) of the Companies Act 1956, consent of the Company be and is hereby accorded and shall always be deemed to have been accorded to the Board of Directors of the Company for borrowing from time to time all sums of moneys as they may deem necessary to be borrowed on such terms and conditions and with or without security as the Board of Directors may think fit, for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the actual amount upto which moneys may be borrowed by the Board of Directors shall not exceed the aggregate of the paid-up capital and free reserves of the Company by more than the sum of Rs. 300 crores excluding interest, commitment charges, liquidated damages, premia on redemption, at any one time.

**For and on behalf of the Board of Directors**

**Sd/-  
PRADIP P. PARAKH  
CHAIRMAN & MANAGING DIRECTOR**

Place: Pune

Date: 4<sup>th</sup> August, 2012

**Notes:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy(s) to attend and vote in his stead and the proxy(s) need not be a member of the Company. The instrument appointing the proxy should however be deposited not later than 48 hours before the commencement of the meeting at the registered office of the Company. A proxy form is appended with the admission slip.**
2. The Register of Members and Share Transfer Books will be closed from Tuesday, September 11, 2012 to Saturday, September 22, 2012 (both days inclusive).
3. Dividend as and when declared, will be paid to those members whose names will appear on the Register of Members as on September 22<sup>nd</sup>, 2012.
4. Information regarding particulars of the director to be appointed and the directors seeking re-appointment requiring disclosure in terms of the listing agreement and explanatory statement pursuant to Section 173 of the Companies Act, 1956, forms part of Report on Management's Discussion and Analysis, which forms part of Director's Report (Annexure II) and shareholders are advised to refer the same.





5. The Ministry of Corporate Affairs (MCA), Government of India, has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies enabling it to serve documents to its members through electronic communication. In pursuance of such initiative Securities and Exchange Board of India (SEBI) vide its Circular (No. CIR/CFD/DIL/7/2011 dated 5.10.2011) has made mandatory to the listed companies to supply soft copies of full annual reports to all those members who have registered their e-mail ids for the purpose. The hard copy of annual reports will be supplied to those members who have not registered their e-mail ids.

To support initiative of the Ministry, the Company has sent letter to all its shareholders to register/ update their email ids with concerned DPs in case shares are held in demat form and with Company's Registrars & Share Transfer Agents (R&TA) of the Company, Sharex Dynamic (India) Pvt. Ltd. in case shares are held in physical form. Henceforth, the Company will send all the documents required to be shared with members of the Company, including this year's Annual Report, at the e-mail ids provided by you with Depository Participant (DP) in case of Demat holding of shares or R&TA in case of physical holding of shares.

6. From the current financial year, the Company shall pay dividend under three modes viz; National Electronic Clearing System (NECS), Direct Credit to the accounts of those members holding account with HDFC Bank & Physical dispatch of Dividend Warrant. Members opting for payment of dividend by NECS are requested to give their mandate mentioning bank account details and bank branch address to our R&TA alongwith cancelled cheque pertaining to that account in case of physical holding and to the concerned DP for shares held in demat form. The Company shall carry out direct credit of dividend amount to those members who are holding account with HDFC Bank. Members are requested to register / update their account details with R&TA for physical holding of shares or with DP for demat holding of shares, immediately. The Company shall post dividend warrants to those members who have not opted any of the above option of payment either at bank addresses where member holds a account if registered by the member with the Company's R&TA or at postal address of member in case no bank account details are provided. To avoid any kind of inconvenience, members are requested to register / update their correct bank account details with Company's R&TA for physical share holding and with concerned DP for demat holding, immediately.
7. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year 2003-04, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
8. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's R&TA.
9. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under items no. 6, 7 & 8 set out above is annexed to and forms part of this notice.
10. Members holding shares in physical form and interested in availing nomination facility may obtain necessary application from Company's R&TA, Sharex Dynamic (India) Private Limited. Members holding shares in electronic form may give nomination request to their respective DP directly.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IS ANNEXED TO AND FORMS PART OF THIS NOTICE**

**ITEM 6 OF THE NOTICE**

It is proposed to reappoint Mr. Shailesh C. Doshi as Works Director for a fresh period of two years effective from 1<sup>st</sup> June, 2012. Mr. Doshi has been functioning as Works Director since 1<sup>st</sup> June, 2006 and the Company has greatly benefited from his experience and expertise.

Your Directors commend the adoption of the resolution at item No. 6.

None of the other Directors may be deemed to be concerned or interested in the resolution as proposed.

**ITEM 7 OF THE NOTICE**

Mr. Ayushman Mehta was opted to the Board on March 21, 2012 as an Additional Director of the Company and in terms of Section 260 of the Companies Act, 1956, holds office till the ensuing annual general meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, alongwith requisite deposit, proposing Mr. Mehta's candidature for the office of Director liable to retire by rotation. The resolution proposed seeks to obtain confirmation of the members for the appointment of Mr. Mehta as Director.

Your Directors commend the adoption of the resolution at item No. 7.

None of the other Directors may be deemed to be concerned or interested in the resolution as proposed.

Details of Directors seeking appointment / re-appointment as director in this Annual General Meeting forms part of Report on Management's Discussion and Analysis, which forms part of Director's Report (Annexure II) and shareholders are advised to refer the same.

**ITEM 8 OF THE NOTICE**

In order to further the expansion plans of the Company, borrowings may be necessitated for the purpose. As the present limits sanctioned to the Board may be inadequate, the resolution proposed seeks to raise the borrowing limits of the Board of Directors.

Your Directors commend the adoption of the resolution at item No. 8

None of the Directors may be deemed to be concerned or interested in the resolution as proposed.

**For and on behalf of the Board of Directors**

**Sd/-**

**PRADIP P. PARAKH**

**CHAIRMAN & MANAGING DIRECTOR**

Place: Pune

Date: 4<sup>th</sup> August, 2012



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2012.

### REVIEW OF PERFORMANCE

	(Rs. In Lakhs)	
	2011-2012	2010-2011
Sales	27990.17	27405.58
Profit before tax	335.92	364.23
Profit after tax	225.92	244.23

### OPERATIONS

The operations have resulted in a sales turnover of Rs. 27990.17 Lakhs as compared with Rs. 27405.58 Lakhs in the previous year. Profit after tax was Rs. 225.92 Lakhs compared with Rs. 244.23 Lakhs in the previous year. The details on segment wise operational performance is given in Report on Management's Discussion and Analysis (Annexure II). During the period under review, the manufacturing facility hitherto situated at Gat No. 285/286, Nanekarwadi, Chakan, Tal. Khed, Dist. Pune - 410501, Maharashtra were shifted to larger premises of E 2, Kurkumbh MIDC, Kurkumbh, Tal. Daund, Dist. Pune - 413801, Maharashtra. This would ensure greater synergy of operations.

### CURRENT YEAR'S WORKING

Working results during the first three months of the current year are encouraging.

### DIVIDEND

Your Directors have decided to maintain the rate of dividend at 9% on the paid up Equity Share Capital.

### DIRECTORATE

Subject to the approval of the Members in this Annual General Meeting, Mr. Shailesh C. Doshi was re-appointed as Whole-time Director of the Company designated as Works Director of the Company's factory located at Kurkumbh. During the period under review Mr. Rajendra D. Shetiya and Mr. Sanjeev Kumar Garg, resigned from the Board of Directors on 29.10.2011 & 21.03.2011 respectively, owing to their prior commitments. The Boards place its sincere appreciation for the contributions made by them during their tenure as directors of the Company.

Mr. Ayushman Mehta was co-opted to the Board of Directors as additional director who in terms of Section 260 of the Companies Act, 1956 would hold office till the ensuing Annual General Meeting. Notice has been received from a member proposing the candidature of Mr. Ayushman Mehta as Director.

In accordance with the provisions of the Companies Act, 1956 and the Company's Article of Association, Mr. Mahendra S. Mehta and Mr. Pankaj C. Baldota retire by rotation and being eligible, offer themselves for re-appointment. Necessary resolutions for the appointment/re-appointment of directors are being proposed in the notice convening the Twentieth Annual General Meeting.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) in the preparation of the said financial statements, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs if the Company at 31<sup>st</sup> March, 2012 and of the profit of the Company for that year;
- (iii) they have taken proper and sufficient care, 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;
- (iv) they have prepared the annual accounts on a going concern basis.

**AUDITORS**

The term of Office of the Statutory Auditors M/s. M. Z. Gandhi & Co., Chartered Accountants expire at the conclusion of the ensuing Annual General Meeting and they are eligible for reappointment. M/s. M. Z. Gandhi & Co., Chartered Accountants, have under section 224(1) of the Companies Act, 1956, furnished a certificate of their re-appointment.

**DEPOSITS**

The Company has not accepted any deposits from the public as envisaged under Section 58A of the Companies Act 1956 and the rules made there under.

**INFORMATION UNDER SECTION 217 OF THE COMPANIES ACT, 1956.**

- Conservation of Energy - please see Annexure-I
- Foreign Exchange earnings and outgo
- Technology Absorption - Not applicable

Foreign Exchange Earnings : Nil  
CIF Value of imports : Rs. 8736.47/-

**PARTICULARS OF EMPLOYEES**

None of the employees of the Company was in receipt of remuneration as specified in Section 217(2A) of the Companies Act, 1956 and the rules made there under.

**HEALTH AND SAFETY PERFORMANCE**

Awareness for health and safety is being created.

**CORPORATE GOVERNANCE**

The report on Management's Discussion and Analysis and Report on Corporate Governance are forming part of this Report and are annexed as Annexure II and Annexure III. As required by the listing agreement, an Auditors' Report on Corporate Governance is also attached to the said report.

**CASH FLOW STATEMENT**

As required under Clause 32 of the listing agreement, a cash flow statement is attached to the Balance Sheet along with the auditor's certificate.

**ACKNOWLEDGMENTS**

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's record performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all other business associates for the continuous support given by them to the Company and their confidence in the management.

**For and on behalf of the Board of Directors**

Sd/-

**PRADIP P. PARAKH**  
**CHAIRMAN & MANAGING DIRECTOR**

Place: Pune

Date: 4<sup>th</sup> August, 2012





## ANNEXURE I

## Total energy consumption &amp; energy consumption per unit of production as per Form - A:

## FORM - A

	As at 31.03.2012	As at 31.03.2011
<b>A. POWER AND FUEL CONSUMPTION:</b>		
1) Electricity		
a) Purchased	1305491	1592593
Unit - KWh		
Rs. Lakhs	93.50	95.39
MD and other charges		
Total Charges	93.50	95.39
Rate / Unit Rs.	7.16	5.99
2) Coal		
Quantity-mts	522.44	1254.89
Total Cost Rs. Lakhs	35.99	61.88
Average Rate - Rs/mts	6889	4931
3) Others		
Quantity - mts	4328.79	3142.018
Total Cost Rs. Lakhs	86.42	50.58
Average Rate - Rs/mts	1996	1610
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity - kWh	51.04Kwh/MT	45.42Kwh/MT
Coal	20.43 Kg/MT	35.79 Kg/MT
Other	169.26Kg/MT	89.61 Kg/MT



## ANNEXURE II

## REPORT ON MANAGEMENT'S DISCUSSION AND ANALYSIS

- **Industry structure and developments**

The products of the Company fall into two segments namely oil and food grains. The oil industry consists of several players, both organized and unorganized. Severe recessionary conditions in previous years have taken a toll of some of these players and as mentioned in the previous annual report, the oil industry continues to be in the grip of a severe recession, which may persist for a year or two. Both oil and food grains depend to a large extent on the monsoons and a favorable monsoon would have a significant impact on both the industries.

- **Opportunities and threats**

The products of the Company are largely agro based and performance would depend to a large extent on the vagaries of the monsoon. A serious threat to the oil division is the availability of imported edible oil at comparatively lower prices, which continues to have a significant impact on the prospects of the Company. However, the Company is able to sustain profitability by strict adherence to quality and standards.

- **Segment-wise or product-wise performance**

**OIL DIVISION** : Sales were Rs. 13808.14 lakhs compared with Rs. 15175.17 lakhs in the previous year due to lower offtake.

**AGRO DIVISION** : Sales were Rs. 14182.03 lakhs compared with Rs. 12230.41 lakhs in the previous year. The Company has gained increase in its sales in this segment due to completion of expansion activity of its manufacturing unit located at Shikrapur and its efficient operation in accordance with increasing demand of its Agro products in the market.

- **Outlook**

The future outlook particularly in the area of food grains is encouraging. However, given international trends, the oil division may come under some pressure, on account of low margins prevalent.

- **Internal control systems and their adequacy**

The Company has adequate internal control systems with appropriate controls and checks. Effective measures are taken to ensure that all assets of the Company are protected and all transactions are recorded in conformity with accepted accounting principles. As stated in the report of the board, it is implementation of systems, particularly cost control measures that has resulted in the increased profitability. The internal audit department regularly conducts review of the financial and operating controls in all areas of the Company's operations including transaction checks and significant issues, if any, are brought to the attention of the audit committee.

- **Discussions on financial performance with respect to operational performance.**

Sales during the year were Rs 27990.17 Lakhs compared with Rs. 27405.58 Lakhs in the previous year. Profit before tax was Rs. 335.92 Lakhs compared with the previous year figure of Rs. 364.23 Lakhs. The borrowings by Company have not had significant impact on profits.

- **Material developments in Human Resources/Industrial Relations Front including number of people employed.**

The Company continues to focus on its core values of quality, integrity, leadership, and respect for people. Relations between the Company and the employees continue to be cordial at all locations.

- **Appointment / Re-appointment of Directors :**

Disclosure required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment / re-appointment at the Twentieth Annual General Meeting :



<b>Mr. Ayushman Mehta</b>	:	
Date of birth	:	28/06/1981
Date of appointment	:	21/03/2012
Expertise in specific functional areas	:	Expertise in Business
Qualification	:	M. Com
Number of shares held in the Equity Capital of the Company	:	NIL
Directorships in other companies	:	NIL
Committee / executive positions held in other companies	:	NIL
<b>Mr. Pankaj C. Baldota</b>	:	
Date of birth	:	17.10.1971
Date of appointment	:	29.09.1997
Expertise in specific functional areas	:	Expertise in Processing & Manufacturing of Besan & other Flour Products
Qualification	:	B. Com
Number of shares held in the Equity Capital of the Company	:	NIL
Directorships in other companies	:	NIL
Committee / executive positions held in other companies	:	NIL
<b>Mr. Mahendra S. Mehta</b>	:	
Date of birth	:	05.05.1963
Date of appointment	:	23.08.1995
Expertise in specific functional areas	:	Expertise in Finance & Taxation
Qualification	:	B.Com, LLB, FCA
Number of shares held in the Equity Capital of the Company	:	4600
Directorships in other companies	:	
Committee / executive positions held in other companies	:	
<b>Mr. Shallesh C. Doshi</b>	:	
Date of birth	:	11.01.1970
Date of appointment	:	01.06.2006
Expertise in specific functional areas	:	Expertise in Processing and Manufacture of Edible Oil
Qualification	:	B.Sc
Number of shares held in the Equity Capital of the Company	:	NIL
Directorships in other companies	:	NIL
Committee / executive positions held in other companies	:	NIL



## ANNEXURE III

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the listing agreement)

**MANDATORY REQUIREMENTS****1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance has several key elements viz., Shareholders, Employees, Creditors, Government and Society at large. The three key aspects of corporate governance are accountability, transparency and equality of treatment to stakeholders. In this context, the Company's philosophy on Corporate Governance is:

- To have systems in place which will allow sufficient freedom to the Board of Directors and Management to take decisions towards the progress of the Company and to innovate while remaining within a framework of effective accountability;
- To provide transparent corporate disclosures and high quality accounting practices;
- Timely and proper dissemination of material prices, sensitive information and ensure insiders do not transact in securities of the Company till such information is made public;
- To adopt good Corporate Governance policies that will contribute to the efficiency of the enterprise, creation of wealth for the shareholders and country's economy;

**2. BOARD OF DIRECTORS**

The Board of Directors as on the date of this report consists of six directors of whom the Managing Director and two Works Directors are in whole time employment of the Company. The other directors are Non- Executive Directors of the Company.

The details are furnished hereunder;

Sr. No.	Names of the Directors	Executive/ Non Executive Director	Promoter/Independent/ Nominee Director
1	Mr. Pradip P. Parakh	Chairman / Managing Director	-
2	Mr. Mahendra S. Mehta	Non- Executive Director	Independent Director
3	Mr. Jitendra H. Palnitkar	Non- Executive Director	Independent Director
4	Mr. Ayushman Mehta#	Non- Executive Director	Independent Director
5	Mr. Pankaj C. Baldota	Whole-time Director	-
6	Mr. Shailesh C. Doshi	Whole-time Director	-

None of the Directors on the Company's Board is a Member of more than 10 committees and Chairman of more than five committees (Committees being, Audit Committee and Investors'/Shareholders' Grievance Committee) across all Companies in which he is a director. None of the directors of the Company are related to each other. All Non Executive Directors are liable to retire by rotation. The reappointment of Mr. Shailesh C. Doshi, including the tenure and the terms of remuneration, is subject to the approval of Members in pursuing Annual General Meeting.

The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and considerations at Board Meetings. The Board reviews the declaration made by the Managing Director regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non compliance. Managing Director have certified to the Board in accordance with Clause 49 V of the Listing Agreement pertaining to CEO/CFO



Certification for the Financial Year ended March 31, 2012.

During the year under review, seven Board Meetings were held on May 28, 2011, July 30, 2011, September 24, 2011, October 29, 2011, November 25, 2011, February 4, 2012, and March 21, 2012. Attendance of each Director at the Board Meetings held during the financial year 2011-12 and at the last Annual General Meetings is furnished hereunder:

Sr. No.	Names of the Director	Board Meetings	Last Annual General Meeting		
		Held	Attended	Attended	Not Attended
1	Mr. Pradip P. Parakh	7	7	Yes	N.A.
2	Mr. Mahendra S. Mehta	7	7	Yes	N.A.
3	Mr. Jitendra H. Palnitkar	7	4	Yes	N.A.
4	Mr. Ayushman Mehta#	N.A.	N.A.	N.A.	N.A.
5	Mr. Rajendra D. Setiya*	7	3	Yes	N.A.
6	Mr. Pankaj C. Baldota	7	4	Yes	N.A.
7	Mr. Shailesh C. Doshi	7	4	Yes	N.A.
8	Mr. Sanjeev Kumar Garg**	7	4	Yes	N.A.

Number of other Company Boards or Board Committees in which each of the Directors of the Company is a Member or Chairperson, as on 31<sup>st</sup> March, 2012.

Sr. No.	Names of the Director	Other Boards	Other Board Committees		
		Number	Member/Chairperson	Number	Member/Chairperson
1	Mr. Pradip P Parakh	Nil	Nil	Nil	NA
2	Mr. Mahendra S Mehta	3	Member	Nil	NA
3	Mr. Jitendra H. Palnitkar	Nil	Nil	Nil	NA
4	Mr. Ayushman Mehta#	Nil	Nil	Nil	Nil
4	Mr. Rajendra D. Shetiya*	Nil	Nil	Nil	NA
5	Mr. Pankaj C. Baldota	Nil	Nil	Nil	NA
6	Mr. Shailesh C. Doshi	Nil	Nil	Nil	NA
7	Mr. Sanjeev Kumar Garg**	3	Member	Nil	NA

**Notes:**

\*Mr. Rajendra D. Shetiya resigned from the Board on 29<sup>th</sup> October, 2011.

\*\*Mr. Sanjeev Kumar Garg resigned from the Board on 21<sup>st</sup> March, 2012.

#Mr. Ayushman Mehta was co-opted on Board as Additional Director on 21<sup>st</sup> March, 2012.

**THE COMMITTEES OF THE BOARD**

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set off Committees with specific terms of reference / scope. The Committees operate as empowered agents of the Board as per their Charter / terms of reference. Targets set by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions / approvals / noting.





## 1. AUDIT COMMITTEE

Audit Committee of the Board was constituted during 2000-2001 and is functioning effectively, without interruption. The Audit Committee of the Board comprises of three members, out of which two members are Independent Directors namely Mr. Mahendra S. Mehta & Mr. Jitendra H. Palnitkar and one member is Executive Director namely Mr. Pankaj C. Baldota.

The terms of reference of the Audit Committee are:

To undertake periodical review of Company's Operations and more particularly in the following areas:

- Financial performance of the Company;
- Payment of dues to institutions, both interest and principal;
- Payment of Government dues, such as customs duties, excise duties, sales tax, income tax;
- Inter Corporate Investments;
- Policies relating to award of contracts, purchase and sale of raw materials, finished goods etc;
- Overview of different items of expenditure incurred by the Company, with particular reference to whether they are extravagant or lavish and whether any diversion of funds, not directly relating to the affairs of the Company, has taken place and
- To do such other act, deeds or things, as may be necessary from time to time, to fulfill the objectives aforementioned.

During the year under review, four Audit Committee Meetings were held on May 28, 2011, July 30, 2011, October 29, 2011 and February 4, 2012.

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

Name	No. of Meetings during the year	
	Held	Attended
Mr. Mahendra S. Mehta	4	4
Mr. Jitendra H. Palnitkar	4	4
Mr. Rajendra D. Shetiya*	4	3
Mr. Pankaj C. Baldota**	4	1

### Notes :

\* Mr. Rajendra D. Shetiya ceased to be member of the committee w.e.f. 29<sup>th</sup> October, 2011

\*\* Mr. Pankaj C. Baldota was appointed as a member of the committee w.e.f. 29<sup>th</sup> October, 2011

## 2. REMUNERATION COMMITTEE/ REMUNERATION TO DIRECTORS

The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director and the Executive Director. The Remuneration Committee of the Board consists of the following two independent Directors and one executive director during the year under review:

- Mr. Mahendra S. Mehta - Director
- Mr. Jitendra H. Palnitkar - Director
- Mr. Pankaj C. Baldota - Whole-time Director

During the year under review, Remuneration Committee Meeting was held on 28<sup>th</sup> May, 2011 & 30<sup>th</sup> July, 2011.

Attendance of each member at the Remuneration Committee meetings held during the year



Name	No. of Meetings during the year	
	Held	Attended
Mr. Mahendra S. Mehta	2	2
Mr. Jitendra H. Palnitkar	2	2
Mr. Rajendra D. Shetiya*	2	2
Mr. Pankaj C. Baldota**	0	0

**Notes :**

\* Mr. Rajendra D. Shetiya ceased to be member of the committee w.e.f. 29<sup>th</sup> October, 2011

\*\* Mr. Pankaj C. Baldota was appointed as a member of the committee w.e.f. 29<sup>th</sup> October, 2011

**Remuneration Policy**

► **Remuneration to Non Executive Directors:**

At present no remuneration is being paid to Non Executive Directors either by way of commission or by way of sitting fees.

► **Remuneration to Managing Director and Whole-time Director :**

Remuneration to Managing Director and Whole-time Director is recommended by the Remuneration Committee within the ceilings prescribed under Schedule XIII to the Companies Act, 1956 and is approved by the Board of Directors. No Sitting Fee is paid to the Managing Director and Whole-time Directors.

Remuneration to Managing Director and Whole-time Directors for the financial year 2011-2012 is as under:

Managing Director	Salary
Mr. Pradip P. Parakh	Rs. 50000/- p.m.

**Whole-time Directors**

1) Mr. Pankaj C. Baldota	Rs. 30000/- p.m.
2) Mr. Rajendra D. Setiya*	Rs. 30000/- p.m.
3) Mr. Shailesh C Doshi	Rs. 30000/- p.m.

**Total Salary** Rs. 140000/- p.m.

\*Mr. Rajendra D. Shetiya resigned from the Board on 29<sup>th</sup> October, 2011.

**3. SHARETRANSFER AND SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

Name of non-executive Director heading the committee	:	Mr. Mahendra S. Mehta
Name and designation of Compliance Officer	:	Mr. Abhjit A. Rathod (secretarial@pdbmgroup.com)
Number of shareholder complaints received during 2011-12	:	During the year under review, all the complaints received were satisfactory redressed, in time.
Number not solved to the satisfaction of shareholders	:	Nil
Number of pending share transfers as on March 31, 2012	:	No share transfers were pending for transfer as on the said date.

The status on the total number of complaints received during the FY 2011-12, is as follows:-



Nature of Complaint	SEBI	Stock Exchange	Shareholders	Total	Redressed	Not Redressed	Reason's for non redressal
Non-receipt of dividend	1	0	8	9	9	NIL	NIL
Non-receipt of annual report	0	0	2	2	2	NIL	NIL
Non-receipt of share certificate sent for exchange	0	0	1	1	1	NIL	NIL

There were no pending share transfers and complaints pertaining to the Financial Year ended 31<sup>st</sup> March, 2012.

## 5. GENERAL BODY MEETINGS

The Last three Annual General Body Meetings were held at 103/104 Hadapsar Industrial Estate, Pune-411013 on 24<sup>th</sup> September, 2011, 25<sup>th</sup> September, 2010 and 26<sup>th</sup> September, 2009. In these meetings, there were Special Resolutions relating to appointment/ re-appointment of whole-time directors and payment of remuneration to them.

### DISCLOSURES

- Details of related parties are given in notes to accounts point no. 10. Besides the transactions mentioned elsewhere in the Annual Report, there were no other materially significant related party transactions that may have a potential conflict with the interests of the Company at large.
- The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other Statutory Authority relating to the Capital Markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.
- Employees of the Company have been encouraged to air their views to the audit committee and other constituent committees of the board.

### MEANS OF COMMUNICATION

Currently, the audited and un-audited Financial Results are published in news papers, in accordance with the listing guidelines. They are usually published in 'Free Press Journal' and 'Dainik Nav Shakti'. Management's Discussion and Analysis Report is forming part of Directors' Report to Shareholders. (The Company is also in the process of having a web site designed, specifically keeping in mind the dissemination of information to shareholders).

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report is made part of the Annual Report and attached to the Directors' Report to the Shareholders.

### CEO/CFO CERTIFICATION

CEO/CFO Certification as stipulated by Clause 49 of the listing agreement was placed before the Board of Directors at the meeting held on 4<sup>th</sup> August, 2012.

### CODE OF CONDUCT

The board has laid down a code of conduct for all Board members and Senior Management Executives of the Company.

### CEO DECLARATION

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their Code of Conduct, as applicable to them for the Financial Year ended 31<sup>st</sup> March, 2012.

Place: Pune  
Date: 4<sup>th</sup> August, 2012

For and on behalf of the Board of Directors  
Sd/-

PRADIP P. PARAKH  
CHAIRMAN & MANAGING DIRECTOR

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

Certificate of Statutory Auditors has been obtained on the compliance of conditions of Corporate Governance in deference to Clause 49 of the listing agreement and the same is annexed. Copy of the same is furnished to the Stock Exchanges as required.

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

Quarterly Audit Reports on reconciliation of the total admitted capital with NSDL / CSDL and the total issued and listed capital was furnished to the Stock Exchanges on the following dates:

For the Quarter ended	Furnished on
30.06.2011	19.07.2011
30.09.2011	15.10.2011
31.12.2011	19.01.2012
31.03.2012	13.04.2012

**GENERAL SHAREHOLDER INFORMATION**

AGM : Date, time and venue	: Saturday, 22 <sup>nd</sup> September, 2012, 03.00 p.m. At: 103/104, Hadapsar Industrial Estate, Hadapsar, Pune – 411 013															
Financial Calendar (tentative and subject to change)	: <table border="1"> <tbody> <tr> <td>May</td> <td>2012</td> <td>Audited results for the year ended 31.03.2012</td> </tr> <tr> <td>August</td> <td>2012</td> <td>Unaudited results for the quarter ended 30.06.2012</td> </tr> <tr> <td>September</td> <td>2012</td> <td>Annual General Meeting</td> </tr> <tr> <td>October</td> <td>2012</td> <td>Unaudited results for the quarter ended 30.09.2012</td> </tr> <tr> <td>January</td> <td>2013</td> <td>Unaudited results for the quarter ended 31.12.2012</td> </tr> </tbody> </table>	May	2012	Audited results for the year ended 31.03.2012	August	2012	Unaudited results for the quarter ended 30.06.2012	September	2012	Annual General Meeting	October	2012	Unaudited results for the quarter ended 30.09.2012	January	2013	Unaudited results for the quarter ended 31.12.2012
May	2012	Audited results for the year ended 31.03.2012														
August	2012	Unaudited results for the quarter ended 30.06.2012														
September	2012	Annual General Meeting														
October	2012	Unaudited results for the quarter ended 30.09.2012														
January	2013	Unaudited results for the quarter ended 31.12.2012														
Date of Book closure	: 11 <sup>th</sup> September, 2012 to 22 <sup>nd</sup> September, 2012 (both days inclusive)															
Dividend Payment Date	: On or after 22 <sup>nd</sup> September, 2012, but before the statutory time limit of 30 days from the date of declaration.															
Listing on Stock Exchanges and Stock Code	: <table border="1"> <tbody> <tr> <td>1. The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001</td> <td>519359</td> </tr> <tr> <td>2. The Pune Stock Exchange Limited Shivlila Chamber, 752, Sadashiv Peth, Kumthekar Road, Pune – 411 030</td> <td>NIL</td> </tr> <tr> <td>3. Cochin Stock Exchange Limited MES Building, 4th Floor, Judges Avenue, Kaloor Cochin – 682 017 (Kerala State)*</td> <td>NIL</td> </tr> </tbody> </table>	1. The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	519359	2. The Pune Stock Exchange Limited Shivlila Chamber, 752, Sadashiv Peth, Kumthekar Road, Pune – 411 030	NIL	3. Cochin Stock Exchange Limited MES Building, 4th Floor, Judges Avenue, Kaloor Cochin – 682 017 (Kerala State)*	NIL									
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3. Cochin Stock Exchange Limited MES Building, 4th Floor, Judges Avenue, Kaloor Cochin – 682 017 (Kerala State)*	NIL															



Payment of Annual Listing Fees to the Stock Exchanges	: Listing Fee has been paid to all the Stock Exchanges, in which the Company's Equity Shares are listed, till the year ending March 31, 2012 (except Cochin Stock Exchanges where the Company has already applied for delisting). The process of delisting from the Cochin Stock Exchange is at an advanced stage				
Demat ISIN	: The ISIN allotted to the Company's Equity Shares is : <b>INE809E01018</b>				
Market Price Data : High, low and volume during each month in the last financial year Ended 31 <sup>st</sup> March, 2012	<b>Month</b>	<b>Highest</b>	<b>Lowest</b>	<b>Volume</b>	
		Rs.	Rs.	No. of Sh.	
	April-2011	28.25	24.15	6528	
	May	26.00	20.80	8856	
	June	24.95	21.00	5235	
	July	23.95	19.90	13503	
	August	22.15	18.55	4823	
	September	22.95	20.50	6312	
	October	23.60	20.15	3570	
	November	22.90	19.25	4090	
	December	20.05	18.10	1576	
	January-2012	21.00	17.35	5686	
	February	21.80	18.15	5754	
March	21.45	18.90	1032		
Performance, in comparison to broad based indices, such as BSE Sensex, etc.	<b>MONTH</b>	<b>INDEX(SENSEX)</b>		<b>QUOTE</b>	
		<b>HIGH</b>	<b>LOW</b>	<b>HIGH</b>	<b>LOW</b>
	April-2011	19811.14	18976.19	28.25	24.15
	May	19253.87	17786.13	26.00	20.80
	June	18873.39	17314.38	24.95	21.00
	July	19131.70	18131.86	23.95	19.90
	August	18440.07	15765.53	22.15	18.55
	September	17211.80	15801.01	22.95	20.50
	October	17908.13	15745.43	23.60	20.15
	November	17702.26	15478.69	22.90	19.25
	December	17003.71	15135.86	20.05	18.10
	January-2012	17258.97	15358.02	21.00	17.35
	February	18523.78	17061.55	21.80	18.15
March	18040.69	16920.61	21.45	18.90	





Registrar and Transfer Agents	:	<p>For shares related matters, Members are requested to correspond with the Company's Registrars and Transfer Agents – M/s. Sharex Dynamic (India) Private Limited quoting their folio no./DP ID &amp; Client ID at the following addresses:</p> <p><b>SHAREX DYNAMIC (INDIA) PRIVATE LIMITED</b>  Unit – 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road,  Andheri (E), Mumbai – 400 072  sharexindia@vsnl.com  Phone: (022) 28515606, 28515644</p>				
Share Transfer System	:	<p>All the transfers received are processed at the office of Registrar and Share Transfer Agent and are approved by the Share Transfer and Investor Grievances Committee. Shares Transfers are registered and returned within 30 days from the date of lodgment, if documents are complete in all respect.</p>				
Distribution of shareholding as on March 31, 2012	:	No. of Equity Shares held	No. of Holders	% of Holders	Total Amount	% of Amount
		Upto – 5000	3906	89.42	7373930.00	12.92
		5001 – 10000	284	6.50	2414770.00	4.23
		10001 – 20000	79	1.81	1166220.00	2.04
		20001 – 30000	28	0.64	720570.00	1.26
		30001 – 40000	13	0.30	465180.00	0.81
		40001 – 50000	23	0.53	1122250.00	1.97
		50001 – 100000	13	0.30	971740.00	1.70
		100001 and above	22	0.50	42845340.00	75.06
			<b>4413</b>	<b>100.00</b>	<b>57080000</b>	<b>100.00</b>
Pattern of Shareholding as on March 31, 2012	:	<b>Category</b>		<b>No. of Shares</b>	<b>% of share holders</b>	
		Promoters		4021609	70.46	
		Institutions		NIL	NIL	
		Non – Institutions-				
		Bodies Corporate		43507	0.76	
		Residential Individuals		1628557	28.53	
		Others		100	0.00	
		NRI		14227	0.25	
		<b>TOTAL :</b>		<b>5708000</b>	<b>100.00</b>	
Dematerialisation of shares and liquidity	:	<p>4845260 equity shares in the paid-up capital of the Company were in dematerialized form as on 31<sup>st</sup> March, 2012. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.</p>				



Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	: Not Applicable
Plant Locations	: 1. Gat No. 366, Shikrapur Tal. Shirur, Dist. Pune – 412208, Maharashtra, India 2. E 2, Kurkumbh MIDC, Kurkumbh, Tal. Daund, Dist. Pune – 413801, Maharashtra, India
Address for correspondence	: 103/104, Hadapsar Industrial Estate, Hadapsar, Pune – 411013, Maharashtra, India. Phone: (020)26816020/24 / Fax: (020)26816021 E-Mail ID: pdoil@pdbmgroup.com

**AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE  
TO THE MEMBER OF POONA DAL AND OIL INDUSTRIES LIMITED, PUNE**

We have examined the compliance of conditions of Corporate Governance by Poona Dal and Oil Industries Limited for the year ended on 31.03.2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the 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 generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' 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.

**FOR M/S. M. Z. GANDHI & CO.  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 117819W)  
Sd/-  
CA MAHENDRA GANDHI  
PROPRIETOR  
(Membership No. 103604)**

Place: Pune  
Date: 4<sup>th</sup> August, 2012

**AUDITORS REPORT**

To,  
The Members,  
Poona Dal and Oil Industries Limited,  
Pune.

We have audited the accompanying Balance Sheet of Poona Dal and Oil Industries Ltd., as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed there to. These financial statements and related notes are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatement. 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 overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

We report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- 2) 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 these books;
- 3) The Balance Sheet and Statement of Profit and Loss Account dealt with by the report are in agreement with the books of account.
- 4) In our opinion, the Statement of Profit and Loss Account and the Balance Sheet comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956, to the extent applicable.
- 5) On the basis of the written representation received from the Directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012.
  - ii) In the case of Statement of Profit and Loss of the Profit for the year ended 31st March 2012.
  - iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) amendment order 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as were considered appropriate and as per the information and explanations given to us during the course of our audit we further report that:-

- i)
  - a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) During the year, the management has carried out physical verification of fixed assets under a phased program of verification at reasonable intervals, which, in our opinion, is reasonable. No material discrepancies were noticed on such verification by the management.
  - c) During the year, company has not disposed of any substantial/ major part of the fixed assets.
- ii)
  - a) The Management of the company is maintaining proper records of inventory. We are informed that, the physical verification of inventory has been conducted during the year at reasonable intervals by the management. No material discrepancies



- were noticed on physical verification of inventory as compared to book records.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company maintains proper records of inventory. No material discrepancies were noticed on physical verification.
- iii)
- a) The company had not taken unsecured loan, from the company or firm, listed in the register maintained under section 301 of the Companies Act, 1956 and from the companies under the same management.
  - b) The company has not granted loans secured or unsecured to the companies firms or other parties in which directors are interested.
  - c) In our opinion and according to the information and explanations given to us, the terms and conditions on which secured or unsecured loans has been granted by the company (including employees) are prima facie not prejudicial to the interest of the company.
  - d) According to the explanations and information given to us, the parties (including employees) to whom loans and advances in the nature of interest free loans have been given by the company are repaying the principle amount as stipulated.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) In respect of transaction entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, each of such transactions in excess of Rs. Five Lakhs in respect of any party, in our opinion and as per information given to us such transactions has not taken place during the year. The transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time. Hence this clause is not applicable.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year from the public within the meaning of the provisions of sections 58A and 58AA of the Companies Act, 1956 and rules made there under. Hence, the clause (vi) of the order is not applicable.
- vii) In our opinion, the company has to an internal audit system, which commensurate with the size of the company and nature of its business.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix)
- a) In our opinion & according to the information and explanations given to us; and on the basis of the records produced before us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, VAT, Customs Duty, Service Tax, and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, VAT, Custom Duty, Service Tax, were in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
- x) The company does not have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other



securities.

- xiii) The company is not a chit fund or nidhi/mutual benefit fund society; therefore provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003, are not applicable to the company.
- xiv) According to the information and explanations given to us, the company is not dealing in or trading in shares, securities. Accordingly the provision of clause 4(xiv) of the Companies (Auditors Report) Order, 2003, is not applicable to the company.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) The company has not raised new term loans during the year. The term loans outstanding at the beginning of the year have been fully repaid during the year.
- xvii) On the basis of our examination of the cash flow statement and overall examination of the Balance Sheet, we report that the funds raised on short-term basis have not been used for long term investments and no long-term funds have been used to finance short-term assets.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) The company has not issued debentures during the financial year and hence, the provisions of clause 4(xviii) of Companies (Auditors Report) Order, 2003 are not applicable to the company.
- xx) The company has not raised any money by public issues during the year.
- xi) On the basis of our examination and according to the information and explanation given to us, no fraud on or by the company, has been noticed or reported during the course of our audit.

**FOR M/S. M. Z. GANDHI & CO.**  
**CHARTERED ACCOUNTANTS**  
**(Firm Registration No. 117819W)**  
Sd/-  
**CA MAHENDRA GANDHI**  
**PROPRIETOR**  
**(Membership No. 103604)**

Place: Pune  
Date: 26<sup>th</sup> May, 2012



Balance Sheet as at 31<sup>st</sup> March, 2012

	Notes No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1) Shareholder's Fund</b>			
a) Share Capital	3	57080000	57080000
b) Reserves and Surplus	4	133230369	116393658
<b>2) Share Application Money Pending Allotment</b>	4A	-	-
<b>3) Non-current Liabilities</b>			
a) Long-term Borrowings	5	-	-
b) Deferred Tax Liabilities (Net)	14	-	-
c) Trade Payables	6	-	-
d) Other Long Term Liabilities	6	-	-
e) Long-term Provisions	7	-	-
<b>4) Current liabilities</b>			
a) Short-term Borrowings	8	8950732	77836071
b) Trade Payables	9	71664515	297493333
c) Other Current Liabilities	9	18226798	19752395
d) Short-term Provisions	10	986957	1124512
<b>TOTAL</b>		<b>290139371</b>	<b>569679969</b>
<b>II. ASSETS:</b>			
<b>Non-current Assets</b>			
<b>1. A Fixed Assets</b>			
i) Tangible Assets	11	104592301	106596840
ii) Intangible Assets	12	-	-
iii) Capital Work-in-progress		-	-
iv) Intangible assets under development		-	-
<b>B Non-current Investments</b>	13	-	-
<b>C Deferred Tax Assets (net)</b>	14	-	-
<b>D Long-term Loans and Advances</b>	15	-	-
<b>E Trade Receivables</b>	16.1	-	-
<b>F Other Non-current Assets</b>	16.2	-	-
<b>2. Current Assets</b>			
a. Current Investments	17	-	-
b. Inventories	18	105024490	162693481
c. Trade Receivables	19.1	57524089	67688186
d. Cash and Cash Equivalents	20	11448450	214958046
e. Short-term Loans and Advances	21	2084779	5462196
f. Other Current Assets	19.2	9465262	12281220
<b>TOTAL</b>		<b>290139371</b>	<b>569679969</b>
Summary of significant accounting policies	2.1	-	-

As per our attached report of even date  
**M/s. M. Z. Gandhi & Co.**  
**Chartered Accountants**  
**Firm Registration No. 117819W**  
**Sd/-**  
**CA Mahendra Gandhi**  
**Proprietor**  
**Membership Capital No. 103604**

For and on behalf of the Board of Directors

**Sd/-**  
**Pradip P. Parakh**  
**Managing Director**

**Sd/-**  
**Shallesh C. Doshi**  
**Director**

Place : Pune  
Date : May 26, 2012

Place : Pune  
Date : May 26, 2012

Statement of Profit and Loss For The Year Ended 31<sup>st</sup> March, 2012

	Notes No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>A. INCOME</b>			
Revenue From Operations	22	2799016801	2740558456
Other Income	23	6777510	5749204
<b>TOTAL (A)</b>		<b>2805794311</b>	<b>2746307660</b>
<b>B. EXPENDITURE</b>			
Production and Other Direct Expenses	24	1391837865	1471759335
Purchases of Traded Goods	25.1	1360440797	1141657305
(Increase)/Decrease In Inventories of Finished Goods	25.2	(42257198)	29675542
Employee Benefits Expenses	26	14945806	14600202
Other Expenses	27	18200676	20352334
Directors' Remuneration		1454000	1224000
Exceptional Items	28	1966713	-
<b>TOTAL (B)</b>		<b>2746588659</b>	<b>2679268718</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (A-B)</b>		<b>59205652</b>	<b>67038942</b>
Depreciation and Amortization Expense	29	13579109	14534829
Finance Costs	30	12034331	16080569
<b>Profit Before Tax</b>		<b>33592212</b>	<b>36423544</b>
<b>C. Tax Expense</b>			
Provision for Tax		11000000	12000000
<b>Profit After Tax</b>		<b>22592212</b>	<b>24423544</b>
Short Provision of Tax of Earlier Year W/off		21808	828397
<b>Profit For The Year</b>		<b>22570404</b>	<b>23595147</b>
Earnings Per Equity Share [nominal value of share Rs. 10. (31 March 2011 : Rs. 10.)	32	3.95	4.13
Summary of Significant Accounting Policies	2.1		

As per our attached report of even date

M/s. M. Z. Gandhi &amp; Co.

Chartered Accountants

Firm Registration No. 117819w

Sd/-

CA Mahendra Gandhi

Proprietor

Membership Capital No. 103604

For and on behalf of the Board of Directors

Sd/-

Pradip P. Parakh  
Managing Director

Sd/-

Shailesh C. Doshi  
Director

Place : Pune

Date : May 26, 2012

Place : Pune

Date : May 26, 2012

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2012

## SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>3 SHARE CAPITAL</b>		
<b>a. Authorized Share Capital</b>		
60,00,000 (P.Y. 60,00,000) Equity shares of Rs. 10/- each	<u>60000000</u>	<u>60000000</u>
<b>b. Issued, Subscribed and Paid-up Share Capital</b>		
57,08,000 (P.Y. 57,08,000) Equity Shares of Rs. 10/- each	<u>57080000</u>	<u>57080000</u>
<b>Total Issued, Subscribed And Fully Paid-up Share Capital</b>	<u><u>57080000</u></u>	<u><u>57080000</u></u>

## c. Details of Shareholders Holding More Than 5% Shares In The Company

Name of Shareholder	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Deepchand Kesharchand Parakh	336,810	5.90	336,810	5.90
Jalamchand Kesharchand Parakh	336,700	5.90	336,700	5.90
Meera Sujeet Parakh	293,960	5.15	293,960	5.15
Rajashree Sunil Parakh	293,710	5.15	293,710	5.15
Sujit Deepchand Parakh	451,850	7.92	451,850	7.92
Sunil Deepchand Parakh	286,300	5.02	286,300	5.02
Sunil Deepchand Parakh (HUF)	321,200	5.63	321,200	5.63
Swapnil Jalamchand Parakh	355,550	6.23	355,550	6.23

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2012

	31.03.2012	31.03.2011
<b>4 Reserve and Surplus</b>		
<b>a. General Reserve</b>		
Balance as per the last financial statements	12100450	10600450
Add: Amount transferred from surplus balance in the statement of profit and loss	1500000	1500000
<b>Closing Balance</b>	<u>13600450</u>	<u>12100450</u>
<b>b. Surplus In The Statement of Profit and Loss A/c</b>		
Balance as per the last financial statements	104293208	88188486
Add : Profit for the year	22570404	23595147
Add : Excess Provision of Taxes written back	236889	-
Less : Proposed Dividend	(5137200)	(5137200)
Less : Dividend Tax	(833382)	(853225)
Less : Transfer to General Reserve	(1500000)	(1500000)
<b>Net Surplus In The Statement of Profit and Loss</b>	<u>119629919</u>	<u>104293208</u>
<b>Total Reserves and Surplus</b>	<u>133230369</u>	<u>116393658</u>
<b>8 Short-term Borrowings</b>		
<b>a. Secured Loans Repayable On Demand</b>		
-from banks		
i. Cash Credit	8950732	17836071
ii. Term Loan	-	10000000
<b>Total (a)</b>	<u>8950732</u>	<u>27836071</u>
<b>b. Unsecured Loans Repayable On Demand</b>		
-from others	-	50000000
<b>Total (b)</b>	-	<u>50000000</u>
<b>Total (a+b)</b>	<u>8950732</u>	<u>77836071</u>

Bank borrowings are secured by hypothecation of trade receivables and inventories and personal guarantees of -

- 1) Deepchand Kesharchand Parakh
- 2) Jalamchand Kesharchand Parakh
- 3) Sunil Deepchand Parakh
- 4) Sujit Deepchand Parakh
- 5) Swapnil Jalamchand Parakh

**Term of repayment of Term Loans**

Lender Name : Corporation Bank  
Date of Disbursement : 29<sup>th</sup> June, 2007  
Loan Amount Disbursed : INR 3.75 crores  
Outstanding (31<sup>st</sup> March, 2012) : NIL. (P.Y. - INR 1 crore)  
Terms of Repayment : 60 months

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2012

	31.03.2012	31.03.2011
<b>g Trade Payable and Other current Liabilities</b>		
<b>a. Trade Payables ( Due within 1 year)</b>		
Sundry Creditors	71664515	297493333
<b>Total</b>	<u>71664515</u>	<u>297493333</u>
<b>b. Other Current Liabilities : ( Due within 1 year)</b>		
Sundry Creditors - for expenses	3861627	2152402
Debtors having credit balances	196521	10074995
Proposed Dividend	5137200	5137200
Unclaimed dividends	2207345	2143154
Other payables		
-Provident fund payable	47810	75063
-Profession tax payable	16950	15925
-TDS payable	163351	153656
-Vat payable	964956	-
Book overdrafts	5631038	-
<b>Total</b>	<u>18226798</u>	<u>19752395</u>
<b>10 Provisions - Short Term</b>		
Provision for taxation	-	85000
Provision for dividend tax	833382	853225
Other provisions	153575	186287
Provision for Telephone Expenses	29550	-
Provision for Water Charges	124025	-
Gadimajuri expenses payable	-	14287
Lease rent payable	-	50000
Electricity expenses payable	-	122000
<b>Total</b>	<u>986957</u>	<u>1124512</u>
<b>18 Inventories</b>		
a. Raw Materials and components	29457178	100211367
b. Finished goods	75567312	33310114
c. Traded goods	-	29172000
<b>Total</b>	<u>105024490</u>	<u>162693481</u>

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2012

	31.03.2012	31.03.2011
<b>19.1 Trade Receivables</b>		
Trade receivables outstanding for a period less than six months		
Unsecured considered good	<b>57524089</b>	67688186
<b>Total</b>	<b>57524089</b>	<b>67688186</b>
<b>19.2 Other Current Assets</b>		
Deposits	<b>2587426</b>	2818568
Creditors having debit balances	<b>6877836</b>	9310643
VAT receivable	-	78009
FBT (08-09)	-	74000
<b>Total</b>	<b>9465262</b>	<b>12281220</b>
<b>20 Cash And Cash Equivalents</b>		
<b>a. Cash on Hand</b>		
Cash on Hand	<b>1461773</b>	2075354
<b>Total (a)</b>	<b>1461773</b>	<b>2075354</b>
<b>b. Cash With Banks</b>		
In current accounts	<b>6135173</b>	46122866
In cash credit accounts	<b>1644159</b>	163927672
In deposit accounts	-	689000
Earmarked Balances with banks (unpaid dividends)	<b>2207345</b>	2143154
<b>Total (b)</b>	<b>9986677</b>	<b>212882692</b>
<b>Total (a+b)</b>	<b>11448450</b>	<b>214958046</b>
<b>21 Short Term Loans and Advances</b>		
Advance Income Tax & T.D.S.	<b>1255406</b>	1025832
Staff Advances	<b>320400</b>	363464
Prepaid expenses	<b>508973</b>	4072900
<b>Total</b>	<b>2084779</b>	<b>5462196</b>
<b>22 Revenue From Operations</b>		
Sale of products	<b>2799016801</b>	2740558456
<b>Total</b>	<b>2799016801</b>	<b>2740558456</b>



Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2012

	31.03.2012	31.03.2011
<b>23 Other Income</b>		
Interest on Bank deposits	4274000	5749204
Interest others	2476314	-
Profit on sale of fixed assets (net)	27196	-
<b>Total</b>	<b>6777510</b>	<b>5749204</b>
<b>24 Production And Other Direct Expenses</b>		
Materials Consumed	1288698491	1300089542
Direct Expenses	103139374	171669793
<b>Total</b>	<b>1391837865</b>	<b>1471759335</b>
<b>25.1 Purchase of Traded Goods</b>		
Inventories at the beginning of the year	29172000	-
Purchases during the year	1331268797	1170829305
Less : Inventories at the end of the year	-	29172000
<b>Total</b>	<b>1360440797</b>	<b>1141657305</b>
<b>25.2 (Increase) / Decrease In Inventories of Finished Goods</b>		
Inventories at the beginning of the year	33310114	62985656
Less : Inventories at the end of the year	75567312	33310114
<b>Total</b>	<b>(42257198)</b>	<b>29675542</b>
<b>25.3 Details of Material Consumed</b>		
Opening Inventory - Raw Material	100211367	104115233
Add : Purchases during the year	1217944302	1296185676
Less : Closing Inventory - Raw Material	29457178	100211367
<b>Total</b>	<b>1288698491</b>	<b>1300089542</b>
<b>26 Employee Benefit Expense</b>		
Salaries, wages and bonus	10,007,189	10,317,240
Gratuity & Sanugrah Expenses	1,437,357	568,349
Contribution to Provident Fund	386,304	490,266
Labour Welfare Fund Expenses	9,366	9,708
Leave Encashment Benefits	227,993	256,043
House Rent Allowance Expenses	541,680	566,172
Staff Welfare Expenses	821,836	886,097
Other Expenses	1,514,081	1,506,327
<b>Total</b>	<b>14,945,806</b>	<b>14,600,202</b>

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2012

	31.03.2012	31.03.2011
<b>27 Other Expenses</b>		
Lease Rent	50000	50000
Insurance Expenses	1570153	1501768
Legal and Professional Fees	1042078	743217
Listing Fees	127051	98922
Membership & License Fees	161801	75557
Postage & Telephone Expenses	511543	665480
Printing Stationary & Advertising Expenses	972550	672481
Profession Tax	2500	2500
Reduction Of Vat Setoff	105935	-
Rent Rates & Taxes	855519	1280234
Repairs and Maintenance	3285045	5768881
Sales Commission	1533320	1716529
Security Expenses	1501643	913854
Service Tax	283332	365836
Travelling & Conveyance	1278413	1990588
Truck Diesel Expenses	457182	535285
Other Expenses	4131711	3640302
Payment to auditors ( Refer details below)	330900	330900
	<u>18200676</u>	<u>20352334</u>
<b>Payment To Auditors</b>		
Audit fee	209570	209570
Tax audit fee	66180	66180
VAT Audit Fee	55150	55150
	<u>330900</u>	<u>330900</u>
<b>28 Exceptional Items</b>		
Staff Settlement Expenses	1,966,713	-
	<u>1,966,713</u>	<u>-</u>
<b>29 Depreciation And Amortization Expenses</b>		
Depreciation of tangible assets	13,579,109	14,534,829
	<u>13,579,109</u>	<u>14,534,829</u>
<b>30 Finance Costs</b>		
Bank Interest	3,256,566	4,552,258
Bank Charges & Commission	8,777,765	11,528,311
	<u>12,034,331</u>	<u>16,080,569</u>

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2012

11	Tangible Assets	Land	Building	Plant & Machinery	Computer	Electrical Instruments	Office Equipment	Air Conditioner	Furniture	Lab Equipments	Car / Jeep	Truck	Motor Cycle	Weighing Scale	Total
	Gross Block														
	At 1 <sup>st</sup> April, 2010	8745809	50166401	226631740	946763	4402072	852788	328108	3449749	272507	3039290	3513900	41230	369056	302759413
	Additions	-	2761068	4665816	-	-	-	-	-	-	-	-	-	869272	8296156
	Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	At 31 <sup>st</sup> March, 2011	8745809	52927469	231297556	946763	4402072	852788	328108	3449749	272507	3039290	3513900	41230	1238328	311055569
	Additions	-	2405727	11320154	-	-	-	-	-	-	-	-	-	-	13725881
	Disposals	-	-	1590951	-	-	-	-	-	-	1165137	635000	-	-	3391086
	At 31 <sup>st</sup> March, 2012	8745809	55333196	241026759	946763	4402072	852788	328108	3449749	272507	1874153	2878900	41230	1238328	321390362
	Accumulated Depreciation														
	At 1 <sup>st</sup> April, 2010	-	25833468	153248753	640752	2734867	499986	235222	1894567	258523	1074129	3329288	13484	162861	189923900
	Charge for the year	-	2512713	10904986	130520	231909	49075	12920	281488	2223	301260	55384	4253	48098	14534829
	At 31 <sup>st</sup> March, 2011	-	28346181	164153739	771272	2966776	549061	248142	2176055	258746	1375389	3384672	17737	210959	204456729
	Charge for the year	-	2478561	10196643	70196	199650	42248	11123	230539	1914	175668	26059	3601	142907	13579109
	Adj on Disposals	-	-	-	-	-	-	-	-	-	647143	592634	-	-	1239777
	At 31 <sup>st</sup> March, 2012	-	30824742	174350382	841468	3166426	591309	259265	2406594	260660	903914	2818097	21338	353866	216798061
	Net Block														
	At 31 <sup>st</sup> March, 2011	8745809	24581288	67143817	175491	1435296	303727	79966	1273694	13761	1663901	129228	23493	1027369	106596840
	At 31 <sup>st</sup> March, 2012	8745809	24508454	66676377	105295	1235646	261479	68843	1043155	11847	970239	60803	19892	884462	104592301

## Building Includes those constructed on leasehold land:

Gross block Rs. 49750478 (31<sup>st</sup> March, 2011: Rs. 47344751)  
 Depreciation charge for the year Rs. 2424697 (31<sup>st</sup> March, 2011: Rs. 2501023)  
 Accumulated depreciation Rs. 28120718 (31<sup>st</sup> March, 2011: Rs. 25696021)  
 Net book value Rs. 19224033 (31<sup>st</sup> March, 2011: Rs. 21648730)

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2012

	2011-2012	2010-2011
<b>A) Cash Flows From Operating Activities</b>		
Net Profit for the year	33592212	36423544
Adjustments for:		
Depreciation of property, plant and equipment	13579109	14534829
Finance costs	12034331	16080569
Provision for taxation	(11000000)	(12000000)
Proposed Dividend	(5137200)	(5137200)
Dividend Tax	(833382)	(853225)
Profit on disposal of fixed assets	(27196)	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>42207874</b>	<b>49048517</b>
Decrease in inventories	57668991	4407408
Decrease in trade receivables	10164097	24979384
Decrease in other current assets & short term loans and advances	17463453	18591557
(Decrease)/increase in trade payables	(225828818)	69507065
Decrease in other current liabilities & short term provisions	(1663152)	(13307299)
<b>Cash flows from operating activities</b>	<b>(99987555)</b>	<b>153226632</b>
Interest paid	(12034331)	(16080569)
Taxes Paid	(11270078)	(12287977)
Excess Provision of Taxes written back (net)	215081	(828397)
<b>Net cash used in operating activities (A)</b>	<b>(123076883)</b>	<b>(124029689)</b>
<b>B) Cash Flows From Investing Activities</b>		
Purchase of Property, plant and equipment	(13725881)	(8296156)
Proceeds on disposal of Property, plant and equipment	2178507	-
<b>Net cash used in investing activities (B)</b>	<b>(11547374)</b>	<b>(8296156)</b>
<b>C) Cash Flows From Financing Activities</b>		
Dividends paid		
(Repayments of)/proceeds from secured loans	(18885339)	10336071
Repayment of unsecured loans	(50000000)	(30000000)
<b>Net cash used in financing activities (C)</b>	<b>(68885339)</b>	<b>(19663929)</b>
<b>Net Increase In Cash and Cash Equivalents (A+B+C)</b>	<b>(203509596)</b>	<b>(96069604)</b>
Cash and cash equivalents at beginning of year	214958046	118888442
<b>Cash and Cash Equivalents At End of Year</b>	<b>11448450</b>	<b>214958046</b>

As per our attached report of even date

M/s. M. Z. Gandhi &amp; Co.

Chartered Accountants

Firm Registration No. 117819W

Sd/-

CA Mahendra Gandhi

Proprietor

Membership Capital No. 103604

For and on behalf of the Board of Directors

Sd/-

Pradip P. Parakh  
Managing Director

Sd/-

Shallesh C. Doshi  
Director

Place : Pune

Date : May 26, 2012

Place : Pune

Date : May 26, 2012



## 1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) POONA DAL AND OIL INDUSTRIES LTD. is a public limited company, incorporated in accordance with the provision of Companies Act, 1956. The company was registered on 01/01/1993.
- b) The company manufactures & trades in edible oil & pulses.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and which have been consistently followed, are as follows:

- a) **Basis of preparation**  
The financial statements are presented in INR and prepared using historical cost and in accordance with accounting standards generally accepted in India. (GAAP)
- b) **Method of Accounting**  
Company follows mercantile system of accounting.
- c) **Fixed Assets**  
Fixed Assets are stated at cost less accumulated depreciation. The cost comprises of basic price, Excise Duty and any attributable cost for bringing the asset to the working condition for its intended use. During the year company has shifted its plant and machinery from Chakan Unit to Kurkumbh Unit. Cost incurred for shifting of the same has been treated as capital expenditure and has been added to the block of asset.
- d) **Depreciation**  
Depreciation on Fixed Assets has been provided on WDV method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956.
- e) **Inventories**  
Finished Goods are stated at the lower of cost and net realizable value. Cost comprises of direct materials, and other attributable overheads. Net realizable value is based on estimated selling prices  
  
Raw material and packing material are valued at cost. Cost is arrived at using the First-In, First-Out (FIFO) method and comprises invoice value plus applicable landing charges less discounts.
- f) **Staff end-of-service gratuity**  
Staff end-of-service gratuity is accounted on payment basis.
- g) **Revenue**  
Sale of goods  
Revenue represents the amount invoiced, net of discounts and returns, for goods delivered during the year.  
  
Interest income  
Interest income is recognised on an accrual basis using the effective interest method, when it is probable that the economic benefits will flow to the company and the interest can be measured reliably.
- h) **Leases**  
Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit and loss.
- i) **Foreign currency transactions**  
Transactions in foreign currencies are translated into INR at the rate of exchange ruling on the date of the transactions.  
  
Gains or losses resulting from foreign currency transactions are taken to profit and loss.
- j) **Cash and cash equivalents**  
Cash and cash equivalents comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of twelve months or less, from the date of deposit.



## k) Expenditure incurred on Employees in respect of remuneration

	2011-12	2010-11
Expenditure incurred on Employees in respect of remuneration		
Aggregating not less than Rs.6000000/- (Previous year Rs. 6000000/-)	Nil	Nil
For the financial year or Rs. 500000/- (Previous year Rs. 500000/-) per month when employed for a part of the year.	Nil	Nil
Number of Employees	Nil	Nil

## l) Estimated amount of Contracts remaining to be executed on Capital account and provided for – NIL (Previous year NIL)

## 3. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Impairment**

At each reporting date, management conducts an assessment of property, plant, equipment, intangible assets, investment property and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken.

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

**Inventory provisions**

Management regularly undertakes a review of the company's inventory (Note 18), stated at INR 105,024,490 (previous year INR 162,693,481) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage.

**Doubtful debt provisions**

Management regularly undertakes a review of the amounts of loans and receivables owed to the company either from third parties, (Note 19.1, 19.2 and 21) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor.

## 5. Additional information pursuant to the provisions of paragraph 4, 4C &amp; 4D of part II of Schedule VI of the Companies Act, 1956.

Material Consumed	Unit	2011-2012		2010-2011	
		Qty.	Value	Qty.	Value
Oil	MT	20488.47	1164937652	26880.07	1191064269
Others	MT	4339.70	104234615	988.03	110452860
Pulses	MT	5086.84	111685838	3779.43	109025273
Others	MT	51261.85	1208839542	54634.35	1031204445
TOTAL		81176.86	2589697647	86281.88	2441746847





## 6. Information of goods produced

Opening and Closing Stock of Finished Goods					
Oil Division	Unit	2011-2012		2010-2011	
		Qty.	Value	Qty.	Value
Opening Stock					
Oil	MT	542.69	29986482	1443.40	62985656
By Products & Others	MT	--	--	--	--
<b>TOTAL</b>		<b>542.69</b>	<b>29986482</b>	<b>1443.40</b>	<b>62985656</b>
Closing Stock					
Oil	MT	988.69	67714728	542.69	29986482
By Product & Others	MT	--	--	--	--
<b>TOTAL</b>		<b>988.69</b>	<b>67714728</b>	<b>542.69</b>	<b>29986482</b>
Agro Division					
Opening Stock					
Pulses	MT	--	--	--	--
Processed Pulses	MT	78.40	1954600	--	--
Processed Pulses Flour	MT	58.50	1228500	--	--
Others	MT	20.08	140532	--	--
<b>TOTAL</b>		<b>156.98</b>	<b>3323632</b>	<b>--</b>	<b>--</b>
Closing Stock					
Pulses	MT	--	--	--	--
Processed Pulses	MT	171.90	7721000	78.40	1954600
Processed Pulses Flour	MT			58.50	1228500
Others	MT	18.80	131584	20.08	140532
<b>TOTAL</b>		<b>190.70</b>	<b>7852584</b>	<b>156.98</b>	<b>3323632</b>
Sales (Oil Division)					
Oil	MT	19954.15	1301069035	26713.86	1400674626
By Products	MT	343.88	2592802	313.04	2684160
Others	MT	3818.94	77152329	976.86	114158343
<b>TOTAL</b>		<b>24116.96</b>	<b>1380814166</b>	<b>28003.76</b>	<b>1517517129</b>
Sales (Agro Division)					
Pulses	MT	53185.99	1310251206	49374.80	1019669850
Processed Pulses	MT	2272.59	86405687	4353.79	126585257
Processed Pulses Flour	MT	496.00	19391700	1370.40	31293590
Others	MT	322.01	2154042	2912.92	45492630
<b>TOTAL</b>		<b>56276.59</b>	<b>1418202635</b>	<b>58011.91</b>	<b>1223041327</b>

**7. CIF Value of Imports**

Rs. 8,736.47 Lacs (P.Y. Rs. 11,231.08 Lacs). In most of cases goods are imported on CNF basis and insurance expenses are debited to statement of profit & loss.

**8. FOB Value of Export**

NIL (P.Y. Rs. 1129.89 Lakhs).

**9. Expenditure in Foreign Currency**

NIL (P.Y. - NIL).

**10. Related Party Disclosures**

As per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India, the Company's related party disclosed as below:

I. Particulars of Associate Companies / Firms			
Name of Related Party		Nature of Relationship	
NIL			
II. Key Management Personnel		Relationship	
1	Pradip Parakh	Chairman / Managing Director	
2	Pankaj C. Baldota	Works Director	
3	Shailesh C. Doshi	Works Director	
III. Related Party Transactions			
		Associate Company	Associate Firm
1	Sales of Material / Rent Receipts	--	--
2	Purchases of Materials / Payments	--	--

11. There are no Small Scale Industrial Undertakings to whom amounts are outstanding for more than 30 days.

**12. COMPARATIVE FIGURES**

The previous year figures have been regrouped and/or reclassified wherever necessary as it is considered that the revised grouping/classification, which has been adopted in the current accounting year, more fairly presents the state of affairs/results of operations.

As per our attached report of even date

**M/s. M. Z. Gandhi & Co.**

**Chartered Accountants**

**Firm Registration No. 117819W**

**Sd/-**

**CA Mahendra Gandhi**

**Proprietor**

**Membership No. 103604**

For and on behalf of the Board of Directors

**Sd/-**

**Pradip P. Parakh**

**Managing Director**

**Sd/-**

**Shailesh C. Doshi**

**Director**

Place : Pune

Date : May 26, 2012

Place : Pune

Date : May 26, 2012

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**POONA DAL AND OIL INDUSTRIES LIMITED**  
REGD. OFF.: 103/104, HADAPSAR INDUSTRIAL ESTATE, PUNE: 411 013.

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders desiring to attend the meeting may obtain additional Attendance slips on request, provided such request is received by the Company before 11th September, 2012.

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company held at 103/104, Hadapsar Industrial Estate, Pune - 411013 on 22<sup>nd</sup> September, 2012 at 3.00 p.m.

Name (s) of the Shareholder (s) Proxy (IN BLOCK LETTERS)

..... Folio No. ....

NOTE :

No duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of the Annual Report to the meeting.

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**POONA DAL AND OIL INDUSTRIES LIMITED**  
REGD. OFF.: 103/104, HADAPSAR INDUSTRIAL ESTATE, PUNE : 411 013.

**PROXY FORM**

I/We ..... of ..... being member(s) of POONA DAL AND OIL INDUSTRIES LIMITED hereby appoint ..... of ..... or failing him/her ..... of ..... as my/our proxy to vote for me/us on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company held on 22<sup>nd</sup> September, 2012 and at any adjournment thereof.

AS WITNESS my/our hand (s) this ..... day of ..... 2012.

Signature (s) .....

Affix  
Rs. 1  
Revenue  
Stamp







BOOK-POST

**SURAJ**<sup>TM</sup>  
REFINED SOYABEAN OIL

**HIRA**<sup>®</sup>  
Refined Sunflower Oil

**Moti**<sup>TM</sup>  
RBD PALMOLEIN OIL

**TIGER**<sup>®</sup>  
Refined Soyabean Oil



If undelivered, please return to :-

**POONA DAL AND OIL INDUSTRIES LTD.**

Regd. Off. 103/104, Industrial Estate, Hadapsar, Pune : 411013