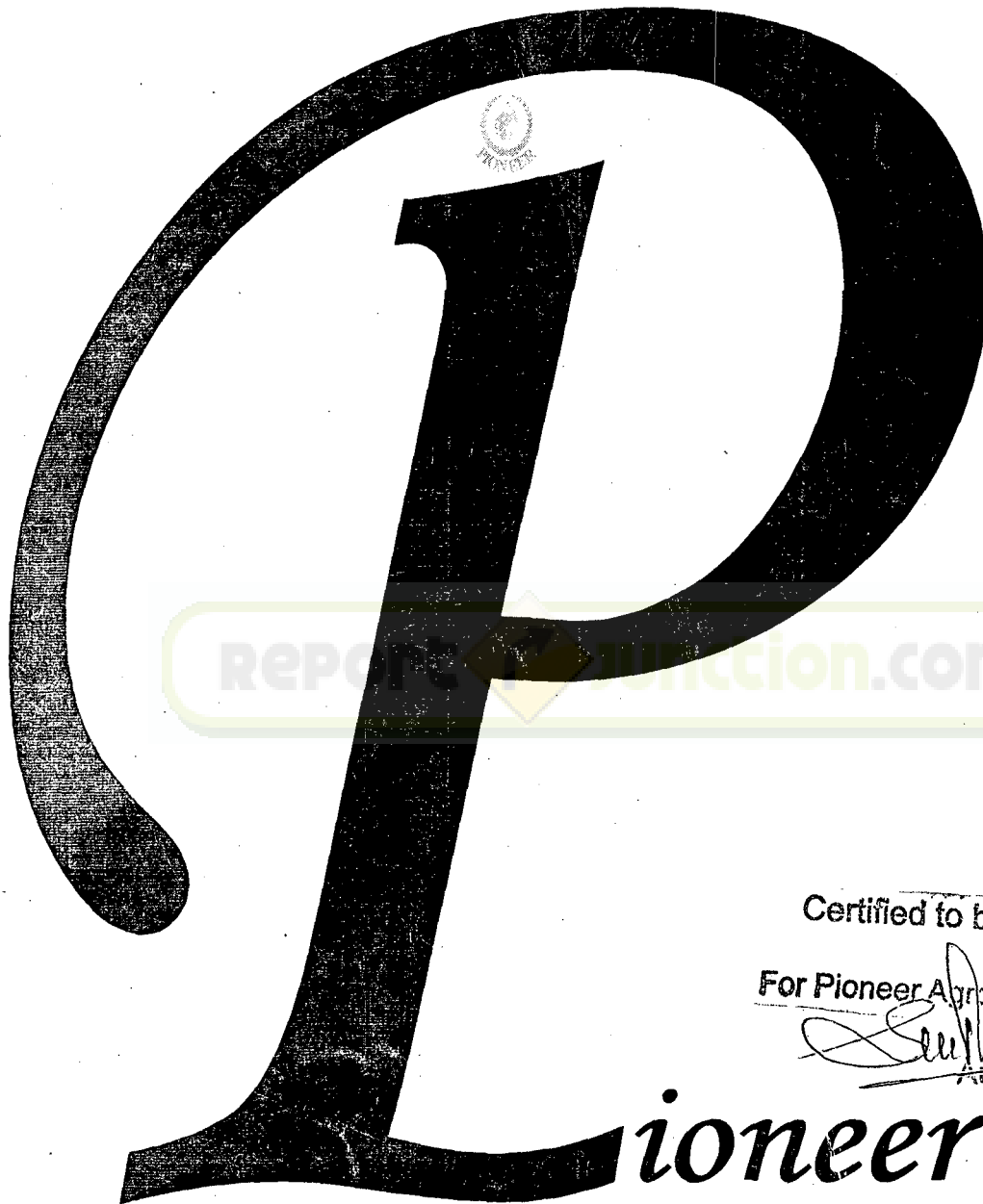


17<sup>th</sup>  
**ANNUAL REPORT**  
**2007-2008**



Certified to be True Copy

For Pioneer Agro Extracts Ltd.

  
Auth. Signatory

**Agro Extracts Limited**

## **17<sup>TH</sup> ANNUAL REPORT 2008-2009**

### **BOARD OF DIRECTORS**

MR. JAGAT MOHAN AGGARWAL	CHAIRMAN-CUM-MANAGING DIRECTOR
MR. AJAY KUMAR GOEL	JOINT MANAGING DIRECTOR
MR. BHARAT BHUSHAN AGGARWAL	DIRECTOR
MR. ANIL THAPAR	DIRECTOR (WORKS)
MR. SAMEER AGGARWAL	DIRECTOR
MR. VIPAN AGGARWAL	DIRECTOR
MR. BALDEV KASHTWAL	DIRECTOR
MR. ANUJ BANSAL	DIRECTOR

### **AUDITORS**

M/S ANIL VASUDEVA & CO,  
Chartered Accountants

### **BANKERS**

The Jammu & Kashmir Bank Limited

### **REGISTERED OFFICE**

Chhoti Nehar, Malakpur – 145 025  
Pathankot (Punjab)

### **FACTORY/WORKS**

V&PO Tharial,  
Defence Road, Madhopur  
Pathankot (Punjab)

## NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Pioneer Agro Extracts Limited will be held on 23<sup>rd</sup> day, September, 2009 at 10.00 AM at the Registered Office of the Company at Chhoti Nehar, Malakpur – 145 025 (Pathankot), Punjab to transact the following businesses-

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit & Loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Sameer Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A.K. Arora, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution-

Resolved that M/s Anil Vasudeva & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration and out of pocket expenses as may be fixed by the Board of the Company.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution –

Resolved that pursuant to the Article 109 of the Articles of Association of the Company and provisions of Section 255 and 257 and other applicable provisions, if any, of the Companies Act 1956 Mr. Anil Thapar, Additional Director, be and is hereby appointed as a director of the Company liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution –

Resolved that pursuant to the provisions of sections 198, 269, 309, 310, 311 read with schedule XIII of the Companies Act, 1956 or other applicable provisions, if any, company hereby approves the variation in the terms of remuneration of Mr. Jagat Mohan Aggarwal, Managing Director for the remaining period of his tenure in office effective from 1<sup>st</sup> July, 2009 with in the limit of Schedule XIII of the Companies Act, 1956.

Further resolved that the remuneration of Mr. Jagat Mohan Aggarwal, Managing Director of the Company by way of salary, perquisites and

other allowances be and is hereby increased upto Rs. 1,25,000/- P.M from the existing Rs. 20,000/- P.M w.e.f 01.07.2009.

Further resolved that Mr. Jagat Mohan Aggarwal, Managing Director of the Company be and is hereby authorized to receive perquisites as provided in the Schedule XIII of the Companies Act, 1956 over and above the remuneration as mentioned above and these perquisites shall not be included in the computation of the ceiling on remuneration specified in Part II of the Schedule XIII of the Companies Act, 1956

Resolved that all other terms and conditions of appointment of Mr. Jagat Mohan Aggarwal, Managing Director as approved earlier by members shall remain unchanged.

Resolved that the Board of Directors be and is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution.

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution –

Resolved that subject to the provisions of Section 198, 269, 309, 314 and 316 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Anil Thapar, who fulfills the conditions specified in Part I and Part II of the Schedule XIII of the companies Act, 1956 be and is hereby appointed as Director(Works) of the Company for a period of five years with effect from 1<sup>st</sup> April, 2009 at a remuneration as may be set out in the explanatory statement.

Further resolved that in the event of loss or inadequacy of profit in any financial year of the Company during the term of Mr. Anil Thapar as Director (Works) the remuneration set out in above be paid or granted to Mr. Anil Thapar as minimum remuneration, provided that the total remuneration by way of salary, perquisites and other allowances and any increase in remuneration during the tenure shall not exceed the ceiling provided in Schedule XIII and any other applicable provisions of the Companies Act, 1956.

**For and on behalf of the Board**

Place : Pathankot  
Dated : 30.06.2009

**Jagat Mohan Aggarwal**  
**Chairman-cum-Managing Director**

## NOTES –

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member of the Company.
2. The proxy form duly completed and signed should be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the Annual General Meeting.
3. The Equity Shares of your Company are admitted in the Depository System and are available for trading in Depository system of both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN No. allotted to the Company is INE 062E01014.
4. The Register of members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> day of September, 2008 to 23<sup>rd</sup> day of September, 2008 (both days inclusive) for the purpose of Annual General Meeting.
5. Pursuant to Section 109A of the Companies Act, 1956, Shareholders can avail nomination facility in respect of their shareholding by using Form 2B of the Companies(Central Government) General Rules & Forms, 1956
6. Members who hold the shares in physical form are requested to notify to the Company, if any, change in their address.
7. The Chairman of the Audit Committee of the Directors shall be present at the Annual General Meeting to reply the queries of members on the Annual Accounts of the Company.
8. Members are requested to bring their copy of the Annual Report to the Meeting.
9. Members who hold shares in dematerialised form are requested to bring their details of Client ID and DP ID for easy reference.
10. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
11. Members having multiple folios are requested to intimate to the Company for consolidation of all folios into one folio.
12. For any specific query on the accounts of the Company please write to the Company at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE  
COMPANIES ACT, 1956**

**Item No. 5 –**

Mr. Anil Thapar was appointed as Additional Director as per the provisions of Section 260 of the Companies Act, 1956 during the year and is liable to retire at the ensuing Annual General Meeting. The Company has received a notice along with a deposit of Rs. 500/- from a Shareholder proposing his appointment under the provisions of Section 257 of the Companies Act, 1956 as candidate for Director.

The Board recommends his appointment as Director liable to retire by rotation and also the resolution as an Ordinary Resolution.

None of the Director except Mr. Anil Thapar is interested in the proposed resolution.

**Item No. 6 –**

The members had, at the Annual General Meeting of the Company held on 24<sup>th</sup> September, 2008, approved the appointment of Mr. Jagat Mohan Aggarwal as Managing Director of the Company for a period of five years commencing from 3<sup>rd</sup> March, 2008.

The remuneration committee reviewed the remuneration package of the Managing Director with a view to make its comparable with the present trends based on the experience which Mr. Jagat Mohan Aggarwal has in the field. Based on various factors the Remuneration committee recommended an increase in remuneration payable to Mr. Jagat Mohan Aggarwal. The Board of Directors has accepted the recommendation of the Remuneration committee and revised the remuneration payable to Mr. Jagat Mohan Aggarwal.

The Board recommends the passing of the resolution as a special resolution.

None of the Director except Mr. Jagat Mohan Aggarwal is interested in the proposed resolution. Mr. Jagat Mohan Aggarwal is interested or concerned in the resolution to the extent of the remuneration payable to him.

The explanation together with the accompanying notice should be treated as an abstract under Section 302 of the Companies Act, 1956.

**Item No. 7 –**

Mr. Anil Thapar is a Post Graduate in Industrial Chemistry (specialization in Oils) having an industrial experience of more than 20 years. He has vast experience in oil sector. His knowledge and experience is of immense help for the overall progress of the Company and hence Board recommends his appointment as Whole Time Director.

The remuneration by way of salary, perquisites, other allowances etc shall not exceed Rs. 30,000/- P.M. and this amount shall be paid to him as minimum remuneration during the proposed reappointment. Any increase in remuneration during his tenure shall be decided by the remuneration committee within the limit of Part II of the Schedule XIII. His terms of reappointment shall be pursuant to the provisions of Section 269 of the Companies Act read together with Schedule XIII.

The Board recommends the passing of the resolution as a special resolution.

None of the Director except Mr. Anil Thapar is interested in the proposed resolution. Mr. Anil Thapar is interested or concerned in the resolution to the extent of the remuneration payable to him.

**For and on behalf of the Board**

Place : Pathankot  
Dated : 30.06.2009

**Jagat Mohan Aggarwal**  
**Chairman-cum-Managing Director**



## **DIRECTORS' REPORT**

To  
The Shareholders of  
**PIONEER AGRO EXTRACTS LIMITED**

Yours Directors have pleasure in presenting the 17<sup>th</sup> Annual Report together with Audited Statement of Accounts for the year ended March 31, 2009.

### **FINANCIAL HIGHLIGHTS AND OPERATIONS**

During the current year operations the financial performance of the Company was as under –

<b>(Rs. in Lacs)</b>		
<b>Particulars</b>	<b>2008-2009</b>	<b>2007-2008</b>
Operating Profit/(Loss)	(51.01)	184.43
Interest & Financial charges	88.13	79.51
Net Profit/(Loss) before Depreciation & taxation	(139.14)	104.92
Depreciation	100.12	92.02
Net Profit/(Loss) after Depreciation but before taxes	(239.26)	12.90
Provision for Taxation	1.25	12.40
Net Profit/(Loss) after taxation	(240.51)	0.50
Excess taxation provision written back	1.04	6.73
Income Tax paid	0.00	3.87
Net Profit/(Loss) brought forward from the previous years	177.32	173.96
Profit/(Loss) carried to Balance Sheet	(62.14)	177.32

### **DIVIDEND**

In view of loss suffered during the year under review, your Directors do not recommend the payment of any Dividend for the year under review.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **OPERATIONS**

The sales and other income during the year under review is Rs.10124.90 lacs as against Rs. 5891.88 lacs during the previous year. The production of vanaspati and refined oils aggregated to 20224.131 M.T. as against 10591.028 M.T. during the previous year. However, despite doing better, both in quantitative (increase of 90.96% over previous year) and monetary terms (increase of 71.84% over Sales and Other Income figure in previous year) the Company was hit hard by world-wide recession in the past year and suffered loss. However, the Company has come out successfully from it and is doing well in the current fiscal year.

#### **APPOINTMENT / RE-APPOINTMENT OF DIRECTORS**

Mr. Sameer Aggarwal and Mr. A.K. Arora are the directors liable to retire by rotation and being eligible have offered themselves for reappointment.



Mr. Anil Thapar was appointed as additional director of the Company and hold office of the director up to the date of the ensuing Annual General Meeting. He is being appointed as regular director of the Company.

#### **LISTING OF SECURITIES**

Shares of the Company are listed on "The Stock Exchange, Mumbai".

#### **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of section 217 (2AA) of the Companies Act, 1956, the Directors of the Company state that :

- (a) in the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and 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 of the Company at the end of the financial year and of the profit/loss of the Company for that period;
- (c) the Director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a going concern basis.

#### **FIXED DEPOSITS**

The Company has not accepted Fixed Deposits from the Public under section 58A of the Companies Act read together with Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

#### **INSURANCE OF FIXED ASSETS**

The Fixed Assets of the Company are adequately insured.

#### **AUDITORS**

M/s. Anil Vasudeva & Co., Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956. Members are requested to consider their reappointment.

#### **AUDITOR'S REPORT.**

The observations made in the Auditor's Report together with the Notes on Accounts thereon are self explanatory and require no further clarification from the directors under section 217 (3) of the Companies Act, 1956.

## **COST AUDITORS**

M/s Pawan & Associates, Cost Accountants, Jalandhar have been appointed as Statutory Cost Auditors of the Company for the financial year 2009-2010 for which approval from the Central Government, Cost Audit Branch, New Delhi has already been received.

## **PARTICULARS OF EMPLOYEES**

There has been no employee who was getting the remuneration in excess of the prescribed limits under section 217 (2A) of the Companies Act, 1956. Therefore, the information as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 has not been furnished.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of the Board) Rules, 1988 regarding Conversation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, wherever applicable, is given in the Annexure A which forms a part of this Report.

## **EMPLOYEE RELATIONS**

The relations with the staff members and the workforce continued to be cordial and satisfactory during the year under review. Your Directors are pleased to acknowledge their sincerity and dedication for the development of the Company.

## **CORPORATE GOVERNANCE**

A report on the Corporate Governance along with Auditor's Certificate is attached to the report.

## **SEGMENT WISE PERFORMANCE**

Your Company is engaged in the manufacturing of edible oils and vanaspati, which, in context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India, is considered the only business segment, i.e. Edible Oils Segment.

## **ACKNOWLEDGEMENT**

Yours Directors would like to express their grateful appreciation for the support, guidance and co-operation extended to the Company by various agencies of the Central Government, State Government, Financial Institutions, Banks, creditors, customers, distributors and suppliers. Your Directors also wish to place on record their appreciation for the sincere and dedicated services of the executives, staff and workers of the Company at all levels.

Your support as shareholders is greatly valued.

For and on behalf of the Board

Place : Pathankot  
Dated: 30.06.2009

**JAGAT MOHAN AGGARWAL**  
Chairman-Cum-Managing Director