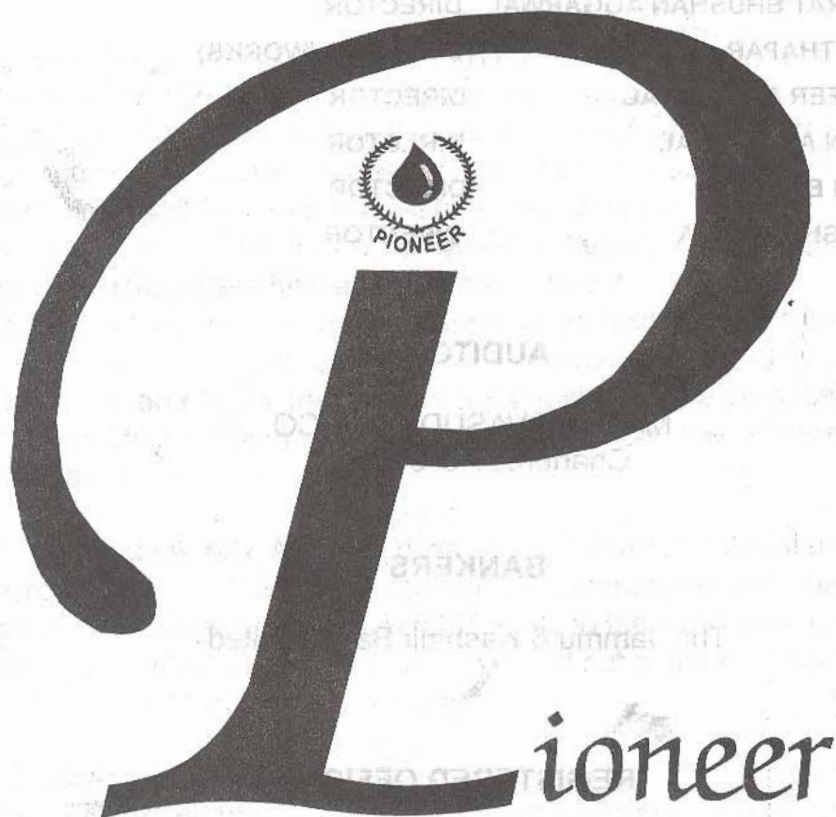


**18th**  
**ANNUAL REPORT**  
**2009-2010**



**Agro Extracts Limited**



**18<sup>TH</sup> ANNUAL REPORT 2009-2010**

**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. ANUJ BANSAL	DIRECTOR
MR. DINESH SHARMA	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 Eighteenth Annual General Meeting of the Members of Pioneer Agro Extracts Limited will be held on Saturday, the 25<sup>th</sup> day of September, 2010 at 11:00 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, 2010 and the Profit & Loss Account for the year ended on that date, Compliance Certificate and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Vipin Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Anuj Bansal, 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 Sec 255 and 257 and other applicable provisions, if any, of The Companies Act, 1956 Mr. Dinesh Sharma, Additional Director, be and is hereby appointed as a Director of the company liable to retire by rotation.

**For and on behalf of the Board**

Place : Pathankot

Dated : 30.05.2010

**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 23rd day of September, 2010 to 25th day of September, 2010 (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, of 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 dematerialized 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.





### **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.

### **COMPLIANCE CERTIFICATE**

Pursuant to the provisions of section 383A (provision) of the Companies Act, 1956 read with Company (Compliance Certificate) Rules, 2001, the company has obtained the Compliance Certificate from the Practicing Company Secretary and the copy of the same is attached herewith. Since the Compliance Certificate is self explanatory, so no further comments are required.

### **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 as per provisions of Companies (Accounting Standard) Rules 2006 and 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: 30.05.2010**

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



**PIONEER AGRO EXTRACTS LIMITED****ANNEXURE "A"****PIONEER AGRO EXTRACTS LIMITED****POWER AND FUEL CONSUMPTION**

Particulars	Current Year 31.03.2010	Last Year 31.03.2009
Electricity purchased (Units)	1688090	2309840
Amount (in Rs.)	8612197	10351048
Rate per Unit (in Rs.)	5.10	4.48
Own Generation through Diesel Generation (Units)	68977	56850
Amount (In Rs.)	845885	1028626.87
Cost Per unit (in Rs.)	12.26	18.09
Coal/Charcoal (in MT)	10.250	103.650
Coal amount (in Rs.)	107115	305768
Furnace oil	Nil	Nil
Fuel Consumption(In MT)	7109.375	9263.647
Amount (in Rs.)	21636975	20952255
Rate per MT	3043.44	2261.77
Diesel (Qty in Ltrs)	26250	31685
Amount (in Rs.)	820106	1025977
Rate per Ltr. (HSD/LDO)	31.24	32.38
Vanaspati & Refined Oil Production	18657.518	20224.131
Consumption per tonne of output		
Electricity	94.17 Units	117.02 Units

**EARNINGS AND OUTGO**

- Foreign Exchange Earning (Rs.)	Nil	Nil
- Foreign Exchange Outgo (Rs.)	Nil	68788944

By order of the Board  
For Pioneer Agro Extracts Limited

Place : Pathankot

Date : 30.05.2010

(JAGAT MOHAN AGGARWAL)  
Chairman-Cum-Managing Director





sales figure, when compared with the previous year, is the penetration in the Punjab market by manufacturers who have set up their huge capacity plant near the port itself and thus are having competitive edge over us due to costing benefit available with them. However the management is hopeful of overcoming this situation by rationalizing the business modules.

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

Mr. Vipin Aggarwal, Mr. Anuj Bansal are the directors liable to retire by rotation and being eligible have offered themselves for reappointment.

Mr. Dinesh Sharma was appointed as additional director of the Company and hold office of the director up to the date of the ensuing Annual General Meeting.

### **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. Due to wide fluctuation in the prices of Edible oil, as it is quite difficult for the management to predict the profitability of the company so, no provision for deferred tax has been provided.

**COST AUDITORS**

M/s J. Verma & Associates, Cost Accountants, Jalandhar have been appointed as Statutory Cost Auditors of the Company for the financial year 2010-2011 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 Conservation 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.

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Your support as shareholders is greatly valued.

For and on behalf of the Board

Place : Pathankot

Dated: 30.05.2010

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



**CORPORATE GOVERNANCE REPORT****COMPANY'S GOVERNANCE PHILOSOPHY**

The Company's Governance philosophy is to have transparency and accountability in all its interactions with the Government, Shareholders and Employees.

**BOARD OF DIRECTORS**

Company's Board has eight Directors. The Board and its committee met at regular intervals. During the financial year 2009-10, six Board Meetings were held on the following dates : 20th May 2009, 30th June 2009, 30th July 2009, 31st Oct 2009, 30th Jan 2010 and 10th Feb 2010. All the directors attended all the meetings except Sh. Baldev Kashtwal who did not attend the meetings of 30th July 2009, 31st Oct 2009 and 30th Jan 2010 and was granted leave of absence. Mr. A. K. Arora resigned from the post of director citing personal reason w.e.f. 30th July, 2009. Sh. Baldev Kashtwal resigned from the post of director citing personal reason w.e.f. 10th Feb 2010. Dr. Dinesh Sharma joined the company as non-executive independent director w.e.f. 10th Feb. 2010. Sh. Jagat Mohan Aggarwal, Sh. Ajay Goel and Sh. Bharat Bhushan Aggarwal also held the position of director in other Company during the financial year 2009-10.

Sh. Jagat Mohan Aggarwal, Sh. Ajay Goel, Sh. Bharat Bhushan Aggarwal and Sh. Sameer Aggarwal attended the last AGM meeting held on 23.09.2009.

The Directors who will retire by rotation and offer themselves for reappointment are as follows

1. Sh. Vipin Aggarwal
2. Sh. Anuj Bansal
3. Dr. Dinesh Sharma

No remuneration/sitting fees were paid to the Directors except Sh. Jagat Mohan Aggarwal, Sh. Ajay Goel, Sh. Bharat Bhushan Aggarwal and Sh. Anil Thapar who were paid Rs.5,10,000/-, Rs.96,000/-, Rs.96,000/- and Rs.3,60,000/- per annum respectively.