

11th annual report 2002-2003



PDOIL

**Poona Dal And
Oil Industries Ltd.**

BOARD OF DIRECTORS

Sunil D. Parakh	Chairman
Sujit D. Parakh	Managing Director
Deepchand K. Parakh	Director
Jalamchand K. Parakh	Director
Mahendra S. Mehta	Director
Pankaj C. Baldota	Works Director
Rajendra D. Shetia	Works Director



BANKERS

Central Bank of India
Corporation Bank



AUDITORS

M/s. M. Z. Gandhi & Co.
Chartered Accountants,
799, Sadashiv Peth,
Gadgil Street,
Pune – 411 030.



REGISTERED & CORPORATE OFFICE:
103/104, Hadapsar Industrial Estate, Pune - 411 013



LOCATION OF PLANTS

- Gat No. 285/286, Nanekarwadi, Alandi Phata, Chakan,
Pune -411 501
- Gat No. 366 Shikrapur, Tal -Shirur, Dist -Pune



REGISTRARS & TRANSFER AGENTS :

(for Demat & Physical Shares)
SHAREX (INDIA) PVT. LTD.
17/B, Dena Bank Building., 2nd floor, Horniman Circle,
Fort, Mumbai-400 001

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the members of Poona Dal and Oil Industries Limited will be held on Saturday the 27th September 2003 at 03.30 p.m. 103/104, Hadapsar Industrial Estate, Pune- 411 013 to transact the following business.

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2003 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. Sunil D Parakh who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Mahendra S Mehta 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 though fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provision of Sections 198, 269 and other applicable provisions, if any, of the Companies Act, 1956 subject to the approval of the members in General Meeting and subject to such other approvals as may be required, the Company hereby accords its approval to the re-appointment of Mr. Pankaj C. Baldota as Works Director for a period of two years with effect from 1st July 2003 upon the terms and conditions 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 specified in the Companies Act 1956 or any amendments thereto as may be made applicable to the company from time to time.”

DUTIES AND FUNCTIONS

- a) The functioning of the Works Director shall be subject to the superintendence and control of the Board of Directors.
- b) The Works Director shall be responsible for the day to day management of the company's factory located at Gat Nos. 366, Keshar Nagar, Tal – Shirur, Dist – Pune and for the purposes of the Factories Act 1948, he shall be the occupier of the said factory and notices in this regard shall be given to the Chief Inspector of Factory.
- c) Matters relating to availment of finance and loan matters shall be decided by the Board of Directors and not by the Works Director.
- d) The Works Director may be empowered to hire staff and workmen upto the level of Ten Workmen but he shall not be entitled to vary the terms of service or dismiss from service any staff or workmen without the consent of the Board of Directors.

REMUNERATION

Salary : Rs. 9000/- per month with effect from 1st July 2003



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."

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

"RESOLVED THAT pursuant to the provision of Sections 198, 269 and other applicable provisions if any of the Companies Act, 1956 subject to the approval of the members in General Meeting and subject to such other approvals as may be required, the Company hereby accords its approval to the re-appointment of Mr. Rajendra Dhanraj Shetia as Works Director for a period of two years with effect from 1st July 2003 upon the terms and conditions 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 specified in the Companies Act 1956 or any amendments thereto as may be made applicable to the company from time to time."

DUTIES AND FUNCTIONS

- a) The functioning of the Works Director shall be subject to the superintendence and control of the Board of Directors.
- b) The Works Director shall be responsible for the day management of the company's Factory located at Gat Nos. 285/286, Chakan, Taluka Khed, Dist, Pune – 410 501 and for the purposes of the Factories Act 1948, he shall be the occupier and notices in this regard shall be given to the Chief Inspector of Factories.
- c) Matters relating to availment of finance and loan matters shall be decided by the Board of Directors and not by the Works Director.
- d) The Works Director may be empowered to hire staff and workmen upto the level of Ten Workmen but he shall not be entitled to vary the terms of service or dismiss from service any staff or workmen without the consent of the Board of Directors.

REMUNERATION

Salary: Rs. 9000/- per month with effect from 1st July 2003

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."

- 8) To consider and if thought fit, to pass with or without modification, the following as a special resolution

"RESOLVED THAT pursuant to the provisions of the Securities Contracts Regulations Act, 1956 and Rules, Regulations and guidelines issued by Securities and Exchange Board of India and provisions of other applicable statutes if any, the consent of the members be and is hereby accorded to delist the shares of the company from The Stock Exchange, Ahmedabad and The Cochin Stock Exchange Limited"

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take the necessary steps and to complete all formalities connected with the delisting as aforesaid"

Place : Pune
Date : 26th July 2003

For and on behalf of the Board of Directors

**SUNIL PARAKH
CHAIRMAN**

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and the proxy 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.
2. The Register of members and share transfer books will be closed from 19th September 2003 to 27th September 2003, (both days inclusive).
3. Dividend as and when declared, will be paid to those members whose names will appear on the Register of Members on 27th September 2003.
4. All requests for dematerialization/ transfer of shares may kindly be forwarded direct to the Registrars and Share Transfer Agents.
5. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed to and forms part of this notice.





EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Items 6 and 7 of the notice

It is proposed to re-appoint Mr. Pankaj C. Baldota and Mr. Rajendra D. Shetia as Works Directors for a fresh period of period of 2 years both effective from 1st July 2003. The working results of the company showed marked improvement during their tenure and your directors are confident that their re-appointment would be greatly beneficial to the Company.

Your Directors commend the adoption of the resolutions at Item Nos 6 and 7.

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

Item 8 of the notice

The equity shares of the company are presently listed on the Mumbai, Pune, Ahmedabad and Cochin Stock Exchanges. It has been observed that there have been virtually no trading activity in the shares of the company on the Ahmedabad and Cochin Stock Exchanges; hence it is no longer advantageous to continue listing of the company's shares on these exchanges. Further members will not be put to any disadvantage since the company's shares will continue to be listed on The Stock Exchange Mumbai which has a nation wide terminal as well as on the Pune Stock Exchange. The Securities and Exchange Board of India have recently liberalized the guidelines for delisting of shares. The consent of the members is now sought for the delisting as aforesaid

Your Directors commend the adoption of the resolutions at Item No 8.

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

Place : Pune

For and on behalf of the Board of Directors

Date : 26th July 2003

**SUNIL PARAKH
CHAIRMAN**

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts of your company for the year ended 31st March 2003.

REVIEW OF PERFORMANCE

(Rs. in Lakhs)

	2002-2003	2001-2002
Sales	29151.46	27685.40
Profit before tax	108.51	50.76
Profit after tax	91.01	45.50

Turnover during the year was Rs 29151.47 lakhs compared with Rs. 27685.40 lakhs in the previous year. Profit before Tax was Rs. 108.51 lakhs compared with Rs. 50.76 lakhs in the previous year. In view of the marketed improvement, your director are pleased to recommended a maiden dividend of Re. 1/- per equity share of Rs. 10/- each.

CURRENT YEAR'S WORKING:

Working during the first quarter are quite encouraging.

DIRECTORATE

During the period under review, Mr. Narendra Surana resigned from the board of directors on account of his various other commitments. The board wishes to place on record its grateful appreciation for the service rendered by Mr. Narendra Surana during his tenure as director. The appointment of the Works directors expired on 30th June 2003. On account of the benefit accrued to the company, it is proposed to reappoint Mr. Pankaj C Baldota and Mr. Rajendra D Shetiya for a further period of two years., subject to the approval of the members in general meeting. Mr Sunil D. Parakh & Mr Mahendra S. Mehta retire at the ensuing general meeting and are eligible for reappointment. Necessary resolutions for the appointment/ reappointment of directors are being proposed in the notice convening the ensuing annual general meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

While preparing the annual financial statements, the Company has adhered to the following

- i) in the preparation of the said financial statements the company has followed, the applicable accounting standards referred to in Section 211(3-C) of the Companies Act, 1956
- (ii) company has followed the said Accounting Standards and applied them consistently and has 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 as at 31st March 2003 and of the profit of the company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the financial statements on a going concern basis."



AUDITORS

The term of Office of the auditor M/s. M. Z. Gandhi & Co., Chartered Accountants expire at the conclusion of the ensuing Annual General Meeting and being eligible and available offer themselves for reappointment.

VOLUNTARY DELISTING OF SHARES

As proposed in the notice convening the Annual General Meeting it has been decided to voluntarily delist the shares of the company from stock Exchanges where there has been virtually no trading activity. Approval of the members is sought for the delisting as aforesaid.

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 thereunder.

INFORMATION UNDER SECTION 217 OF THE COMPANIES ACTS, 1956.

- (a) Conservation of Energy:
Efforts are being continued at the plant at Chakan and Shikrapur and at the corporate office to increase utilisation of power and fuel.
- (b) Technology Absorption – Not applicable
- (c) Foreign Exchange earnings and outgo

Foreign Exchange Earnings	:	Rs. Nil
CIF Value of imports	:	Rs. 5184.86 Lakhs

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.

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 I and Annexure II. As required by the listing agreement, an Auditors' Report on Corporate Governance is also attached to the said report

ACKNOWLEDGEMENTS

The Directors acknowledge with thanks the help and co-operation rendered by the Bankers of the company, the financial institutions, employees of the company at all levels and also the support of the shareholders of the company.

Place: Pune

For and on behalf of Board of Directors

Date: 26th July 2003

SUNIL D. PARAKH
CHAIRMAN

ANNEXURE I**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**

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 seven 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. Sunil D Parakh	Chairman and Non-Executive Director	Promoter Director
2	Mr. Deepchand K Parakh	Non- Executive Director	Promoter Director
3.	Mr. Jalamchand k Parakh	Non- Executive Director	Promoter Director
4	Mr. Sujit D Parakh	Managing Director	Promoter Director
5	Mr. Mahendra S Mehta	Non- Executive Director	Independent Director
6	Mr. Rajendra D Shetiya	Works Director	Independent Director
7	Mr. Pankaj Chandulal Baldota	Works Director	Independent Director

Mr. Narendra Surana resigned from the Board of Directors on 5th March 2003.

Board Meetings:

During the year 2002-2003 Board Meetings were held on 21/05/2002, 29/06/2002, 27/07/2002, 30/08/2002, 26/10/2002, 28/12/2002, 25/01/2003, 26/02/2003, 05/03/2003.

Attendance of each Director, at the Board Meetings held during the financial year 2002-2003 and at the last Annual General Meeting is furnished hereunder



Sr. No.	Names of the Director	Board Meetings		Last Annual General Meeting	
		Held	Attended	Attended	Not Attended
1	Mr. Sunil D Parakh	9	8	yes	
2	Mr. Deepchand K Parakh	9	8	yes	
3.	Mr. Jalamchand k Parakh	9	7	yes	
4	Mr. Sujit D Parakh	9	8	yes	
5	Mr. Mahendra S Mehta	9	7	yes	
6	Mr. Narendra N Surana*	NIL	NIL		yes
7	Mr. Rajendra D Shetiya	9	8	yes	
8	Mr. Pankaj Chandulal Baldota	9	8	yes	

* Mr. Narendra Surana resigned from the board of directors on 5th March 2003.

Number of other Company Boards or Board Committees in which each of the Directors of the Company is Member or Chairperson, as on 31st March 2003

Sr. No.	Names of the Director	Other Boards		Other Board Committees	
		Number	Member/Chairperson	Number	Member/Chairperson
1	Mr. Sunil D Parakh	3		NIL	NA
2	Mr. Deepchand K Parakh	3		NIL	NA
3.	Mr. Jalamchand k Parakh	3		NIL	NA
4	Mr. Sujit D Parakh	2		NIL	NA
5	Mr. Mahendra S Mehta	2		NIL	NA
6	Mr. Narendra N Surana	Nil		NIL	NA
7	Mr. Rajendra D Shetiya	Nil		NIL	NA
8	Mr. Pankaj Chandulal Baldota	Nil		NIL	NA

3. AUDIT COMMITTEE

Audit Committee of the Board was constituted during 2000-2001 and is functioning effectively, without interruption. 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, etc.
- ❖ 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