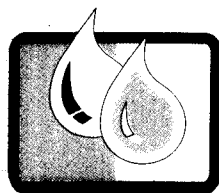


# 12<sup>TH</sup> ANNUAL REPORT 2003-2004



**PDOIL**

**Peona 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., 2<sup>nd</sup> floor, Horniman Circle,  
Fort, Mumbai-400 001

## NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of Poona Dal and Oil Industries Limited will be held on Saturday the 25<sup>th</sup> September 2004 at 03.30 p.m. at 103/104, Hadapsar Industrial Estate, Pune- 411 013 to transact the following business.

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 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. Deepchand K Parakh who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Pankaj C 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 though 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 such sums of moneys as they may deem necessary to be borrowed for the purpose of the business of the company not withstanding that 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.150 crores excluding interest, commitment charges, liquidated damages, premia on redemption, at any one time.

Place: Pune

Date: 26<sup>th</sup> June 2004

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

**SUNIL D 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 23<sup>rd</sup> September 2004 to 25<sup>th</sup> September 2004, (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 25<sup>th</sup> September 2004
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.

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**
**ITEM 6**

The Company is embarking on a major expansion of its activities. To meet its requirements it is proposed to borrow from Banks/ Financial Institutions. As the amounts proposed to be borrowed together with the amounts already borrowed may exceed the amount of the company's Paid up Capital and its free reserves, consent of the members, pursuant to Section 293 (1) (d) is sought empowering the Board of directors to make the borrowings as aforesaid.

Your directors Commend the resolution for adoption.

None of the directors may be deemed to be concerned or interested in the resolution.

Place: Pune

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

Date: 26<sup>th</sup> June 2004

**SUNIL D PARAKH  
CHAIRMAN**

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts of your company for the year ended 31<sup>st</sup> March 2004

### REVIEW OF PERFORMANCE

(Rs. In Lakhs)

	2003-2004	2002-2003
Sales	32207.18	29151.46
Profit before tax	93.64	108.51
Profit after tax	77.64	91.01

Sales during the year was Rs. 32207.18 lakhs compared with Rs. 29151.47 lakhs in the previous year. Profit before Tax was Rs. 93.64 lakhs compared with Rs. 108.51 lakhs in the previous year. The slight drop in profits may be attributed to higher cost of inputs. Your directors are pleased to recommend dividend at the rate of Rs. 1/- per equity share of Rs. 10/- each.

### CURRENT YEAR'S WORKING:

Working during the first quarter of the current year is quite encouraging

### DIRECTORATE

There have been no changes in the directorate during the period under review

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the directors, based on the information and representation received from the operations management confirm that :

- i) In the preparation of the Annual Accounts the Applicable Accounting Standards have been followed with no material departures;
- (ii) The Directors had selected such Accounting policies 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 31<sup>st</sup> March 2004 and of the profit of the Company for that period;
- (iii) The Directors have taken proper and sufficient care to the best of their knowledge and ability 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 and
- (iv) The Directors have prepared the financial statements on a going concern basis.

### AUDITORS

The term of Office of the auditors 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.



## 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 plants at Chakan and Shikrapur and at the corporate office to increase utilisation of power and fuel. This has resulted in considerable saving to the Company.

### (B) Technology Absorption – Not applicable

### (C) Foreign Exchange earnings and outgo

Foreign Exchange Earnings:	Rs. Nil
CIF Value of imports:	Rs. 10009.06 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 and the rules made thereunder.

## 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, customers, suppliers, 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: 26<sup>th</sup> June 2004

**SUNIL D. PARAKH**  
**CHAIRMAN**

**ANNEXURE I****REPORT ON MANAGEMENT'S DISCUSSIONS AND ANALYSIS****I) 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 favourable monsoon would have a significant impact on both the industries.

**II) 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.

**III) Segment – wise or product-wise performance**

**OIL DIVISION:** Sales of the Oil Division were Rs. 27987.26 lakhs compared with Rs. 12987.68 lakhs in the previous year. The improved performance can be attributed to better utilisation of capacities. The performance is all the more significant compared with performance of the industry as a whole.

**AGRO DIVISION:** The working of the Agro Division was adversely affected on account of drought conditions as well as increase in the price of imported food grains. It is expected that these adverse factors would be overcome with in the next two years

**IV) 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.

**V) 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. 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.

**VI) Discussions on financial performance with respect to operational performance.**

The turnover during the year was Rs. 32207.18 lakhs compared with Rs. 29151.46 lakhs in the previous year. Profit before tax was Rs.93.64 lakhs compared with Rs. 108.51 lakhs in the previous year. The borrowings by the company have not had a significant impact on profits.

**VII) 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.



**ANNEXURE II****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 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

**Board Meetings:**

During the year 2003-2004 Board Meetings were held on 28<sup>th</sup> June 2003, 26<sup>th</sup> July 2003, 31<sup>st</sup> October 2003, 31<sup>st</sup> January 2004 and 28<sup>th</sup> March 2004

Attendance of each Director, at the Board Meetings held during the financial year 2003-2004 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	5	5	yes	
2	Mr. Deepchand K Parakh	5	5	yes	
3.	Mr. Jalamchand k Parakh	5	4	yes	
4	Mr. Sujit D Parakh	5	5	yes	
5	Mr. Mahendra S Mehta	5	5	yes	
6	Mr. Rajendra D Shetiya	5	4	yes	
7	Mr. Pankaj Chandulal Baldota	5	5	yes	

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 2004

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. Rajendra D Shetiya	Nil		NIL	NA
7	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 extravagant or lavish and whether any diversion of funds, not directly relating to the affairs of the Company, has taken place and