

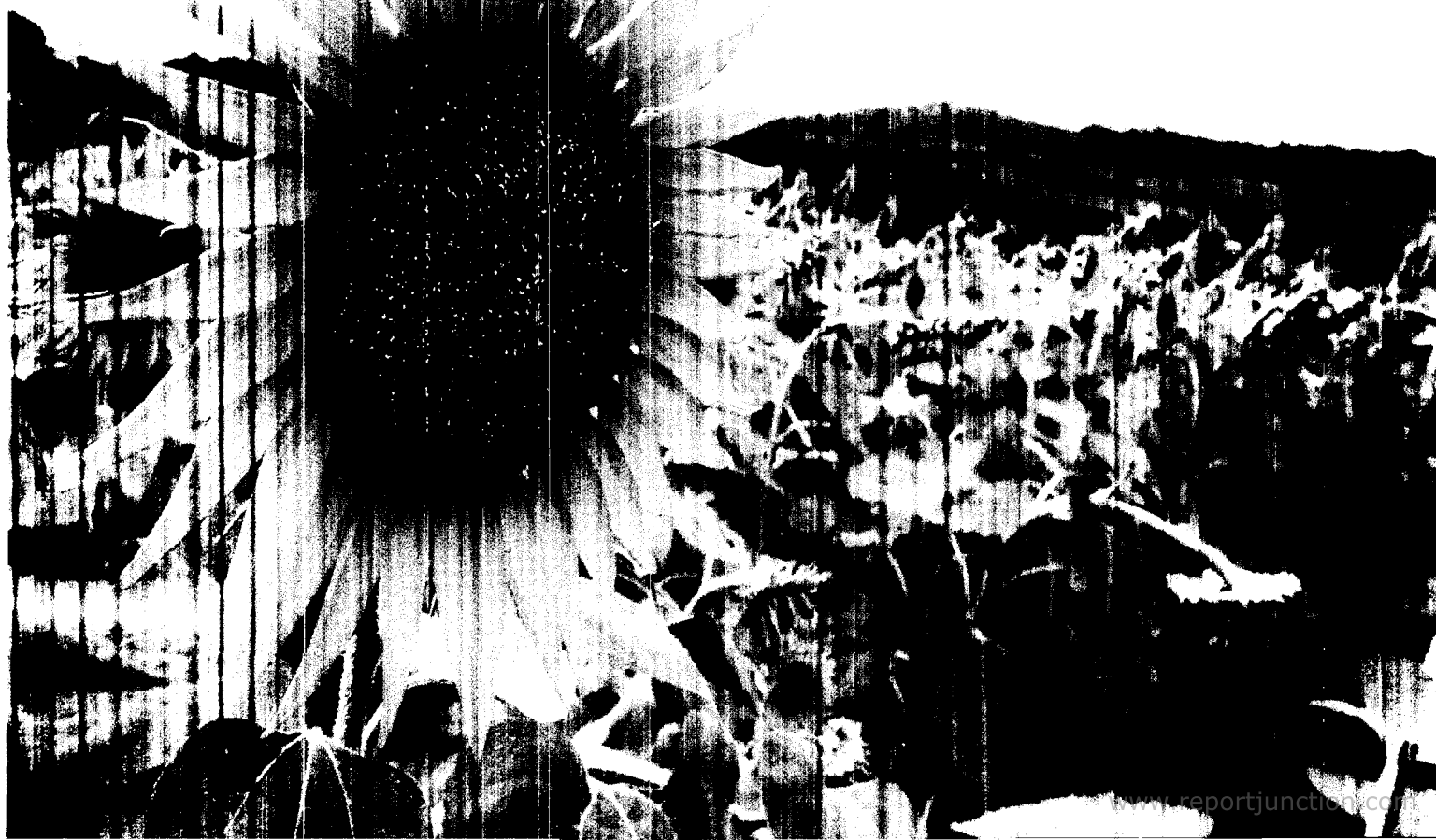
PDOIL

POONA DAL AND OIL INDUSTRIES LTD.

16th

ANNUAL REPORT
2007-2008

Report  Junction



BOARD OF DIRECTORS

Mr. Sunil D. Parakh	Chairman
Mr. Pradip P. Parakh	Managing Director
Mr. Mahendra S. Mehta	Director
Mr. Jitendra H. Palnitkar	Director
Mr. Pankaj C. Baldota	Works Director
Mr. Rajendra D. Shetiya	Works Director
Mr. Shailesh C. Doshi	Works Director

BANKERS

Central Bank of India
Corporation Bank

AUDITORS

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

REGISTERED AND CORPORATE OFFICE

103/104, Industrial Estate, Hadapsar
Pune 411 013

LOCATION OF PLANTS

Gat No. 285/286, Nanekarwadi
Chakan, Tal. Khed, Dist. Pune 410 501,
Maharashtra, India

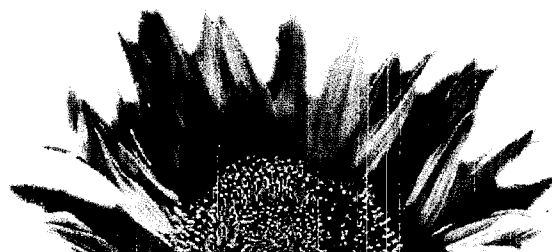
Gat No. 366 Shikrapur
Tal. Shirur, Dist. Pune 412 208, Maharashtra, India

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

REGISTRARS & TRANSFER AGENTS

(for Demat & Physical Shares)

SHAREX DYNAMIC (INDIA) PVT. LTD.
Unit 1, Luthra Ind. Premises, Safed Pool,
Andheri Kurla Road, Andheri (E),
MUMBAI 400 072





NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF POONA DAL AND OIL INDUSTRIES LIMITED WILL BE HELD ON TUESDAY THE 30TH SEPTEMBER 2008 AT 03.00 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 Balance Sheet as at 31st March, 2008 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. Shailesh C. Doshi 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 an Ordinary Resolution:

RESOLVED THAT pursuant to sections 198, 269, 309 schedule XIII 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, Mr. Shailesh C. Doshi be and he is hereby re-appointed as Works Director for a period of two years with effect from 1st June 2008 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

- The functioning of the Works Director shall be subject to the superintendence and control of the Board of Directors.
- The Works Director shall be responsible for the day to day management of the company's Factory located at E-2, MIDC Kurkumbh, Tal - Daund, Pune - 413801
- Matters relating to availment of finance and loan matters shall be decided by the Board of Directors and not by the Works Director.
- 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.
- 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. 22000/- per month

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.

For and on behalf of the Board of Directors

Place: Pune
Date: 26th July 2008

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 19th September 2008 to 30th September 2008, (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 30th September 2008
4. All correspondence pertaining to shares and requests for dematerialization/ transfer of shares may kindly be forwarded direct to the Registrars and Share Transfer Agents, Sharex Dynamic (India) Pvt. Ltd.
5. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed to and forms part of this notice.
6. Members who are interested in availing nomination facility may obtain necessary application from Sharex Dynamic (India) Pvt. Ltd.

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****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 1st June 2008. The working results of the company particularly the division at E-2, MIDC Kurkumbh, Tal-Daund, Pune 413801 showed marked improvement during his tenure and your directors are confident that his reappointment would be greatly beneficial to the Company.

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.

Place: Pune
Date: 26th July 2008

For and on behalf of the Board of Directors

SUNIL D. PARAKH
CHAIRMAN





DIRECTORS' REPORT

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Accounts of your company for the year ended 31st March 2008

REVIEW OF PERFORMANCE

	(Rs. In Lakhs)	
	2007-2008	2006-2007
Sales	43739.66	38004.38
Profit before tax	589.33	315.50
Profit after tax	399.33	210.50

OPERATIONS

The operations have resulted in a sales turnover of Rs. 43739.66 compared with Rs. 38004.38 in the previous year. Profit after tax at Rs. 399.33 Lakhs has shown a significant increase compared with Rs. 210.50 Lakhs in the previous year. The results are an outcome of stringent cost and quality control and increased patronage for the company's products. These results have been achieved despite inflationary trends during the latter part of the period.

CURRENT YEAR'S WORKING:

In continuation of the trend, the company has turned in excellent results during the first quarter of the current year. If this trend is maintained, your company is set to scale new heights in future.

DIVERSIFICATION

Diversification into other lines, notably processing of vanaspati and other products is being contemplated. These apart from value addition would also enhance the product range of the company.

DIRECTORATE

During the period under review, Mr. Shailesh C. Doshi was re-appointed as works director of the company, subject to the approval of the members in general meeting. Mr. Sunil D. Parakh and Mr. Shailesh C. Doshi retire by rotation and are eligible for re-appointment. Necessary resolutions for the re-appointment of directors is being proposed in the notice convening the Sixteenth Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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
- 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 2008 and of the profit of the company for that period;
- 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;
- 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 they are eligible 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.

- Conservation of Energy: - please see annexure- A
- Technology Absorption - Not applicable
- Foreign Exchange earnings and outgo

Foreign Exchange Earnings:	Rs. Nil
CIF Value of imports:	Rs. 17231.86 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 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 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 alongwith the auditors certificate.

ACKNOWLEDGEMENTS

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

Place: Pune
Date: 26th July 2008

For and on behalf of the Board of Directors

SUNIL D PARAKH
CHAIRMAN



ANNEXURE I

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

FORM - A

As at
31.03.2008

A. POWER AND FUEL CONSUMPTION :

1) Electricity

a) Purchased	2369788
Unit - KWh	
Rs. Laks	135.42
MD and other charges	
Total Charges	135.42
Rate / Unit Rs.	5.71

2 Coal

Quantity - mts	920.375
Total Cost Rs. lakhs	31.63
Average Rate - Rs/mts	3437.10

3 Others

Quantity - mts	5143.525
Total Cost Rs. lakhs	54.36
Average Rate - Rs/mts	1056.92

B CONSUMPTION PER UNIT OF PRODUCTION

Electricity - kWh	38.43 Kwh / MT
Coal	14.92 Kg / MT
Other	83.41 Kg / MT



ANNEXURE II

REPORT ON MANAGEMENT'S DISCUSSIONS 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 of the Oil Division were Rs. 20287.31 lakhs compared with Rs. 14162.53 lakhs in the previous year. The increase in sales is on account of increase in margins.

AGRO DIVISION: Sales were Rs. 23452.35 lakhs, compared with Rs. 23841.85 lakhs in the previous year.

- **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 was Rs. 43739.66 lakhs compared with Rs. 38004.38 lakhs in the previous year. Profit before tax was Rs. 589.33 lakhs compared with the previous years figure of Rs. 146.94 lakhs; The significant improvement in performance is on account of stress on quality and implementation of various cost control measures, leading to increase in margins.

- **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 Sixteenth Annual General Meeting :



Mr Sunil D Parakh		
Date of birth	:	20.02.1964
Date of appointment	:	23.08.1995 as Chairman
Expertise in specific functional areas	:	Overall Supervision of Management functions and responsibilities
Qualification	:	B. Com
Number of shares held in the Equity Capital of the Company	:	286300
Directorships in other companies	:	Poona Dal and Besan Mills Pvt. Ltd. Poona Roller Flour Mills Ltd. PDBM International Pvt. Ltd. Pulses & Grains International Pte. Ltd.
Committee / executive positions held in other companies	:	NIL

Mr Shailesh C. Doshi		
Date of birth	:	17.10.1971
Date of appointment	:	01.06.2006 as a Works Director
Expertise in specific functional areas	:	Expertise in processing and manufacture of Besan and other Flour Products
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