

**TWENTY SIXTH ANNUAL REPORT
2009 - 2010**

Wadala Commodities Limited

Wadala Commodities Limited

DIRECTORS	K.K. Dastur M. Eipe A.B. Choudhury	<i>Chairman</i> <i>(Additional Director w.e.f. May 1, 2010)</i>
COMPANY SECRETARY	Kiran R. Rajput	
AUDITORS	Kalyaniwalla & Mistry <i>Chartered Accountants</i>	
BANKERS	Canara Bank IDBI Bank Ltd. HDFC Bank Ltd.	
REGISTERED OFFICE	Plot No. 5, New Industrial Area No. 1, Mandideep, District - Raisen, Bhopal - 462 046, M.P.	
ADMINISTRATIVE OFFICE	L.M. Nadkarni Marg, Near M.P.T. Hospital, Wadala (E), Mumbai - 400 037.	

IMPORTANT NOTE

Please send all share transfer deeds, share certificates relating to registration of transfer, transmission etc. and other correspondence to our Registrars & Share Transfer Agents:

COMPUTECH SHARECAP LIMITED
147, Mahatma Gandhi Road, Opposite Jehangir Art Gallery,
Fort, Mumbai 400 001.
Phone : (022) 2263 5000 / 01 / 02
Fax : (022) 2263 5001
E Mail : helpdesk@computechsharecap.com

Intimation of Change of Address, if any, should reach our Registrars & Share Transfer Agents latest by 13th August, 2010 to update our records.

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NOTICE

Notice is hereby given that the 26th Annual General Meeting of Wadala Commodities Limited will be held on Friday, August 13, 2010 at 2:30 p.m. at the Registered Office of the Company situated at Plot No. 5, New Industrial Area No. 1, Mandideep, Dist. Raisen, Bhopal - 462 046 (M.P.) to transact the following business.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account and Cash Flow Statement for the year ended on March 31, 2010, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors Report along with Management Discussion and Analysis Report and Statement of Corporate Governance.
2. To appoint a Director in place of Mr. A.B. Choudhury who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration. M/s. Kalyaniwalla & Mistry, Chartered Accountants, the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider appointment and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

RESOLVED THAT Mr. M. Eipe, who was appointed by the Board of Directors vide resolution passed on April 23, 2010 as an Additional Director with effect from May 1, 2010 and who holds office as such upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (the Act) and is eligible for appointment as Director in terms of Section 258 of the Act and in respect of whom the Company has received notice under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board of Directors

Place: Mumbai
Date: May 26, 2010

Kiran R. Rajput
Company Secretary

Registered Office:

Plot No. 5, New Industrial Area No. 1,
Mandideep, District - Raisen,
Bhopal - 462 046, M.P.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will be closed from August 6, 2010 to August 13, 2010 (both days inclusive).
3. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarification during the meeting.
4. Members may please bring their copy of the Annual Report to the Annual General Meeting.

Wadala Commodities Limited

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

Item No. 4

The Board of Directors of the Company vide their resolution dated April 23, 2010 had appointed Mr. M. Eipe as an Additional Director with effect from May 1, 2010 to hold office till the date of next Annual General Meeting of the Company. It is proposed to appoint him as a Director liable to retire by rotation. Brief profile of Mr. M. Eipe in terms of the listing agreement is provided elsewhere in this Notice. The Board recommends the resolution as set out at Item Number 4 of this Notice.

Mr. M. Eipe may be deemed to be interested in this resolution. None of the other Directors of the Company are concerned or interested in this resolution.

By Order of the Board of Directors

Place: Mumbai
Date: May 26, 2010

Kiran R. Rajput
Company Secretary

Registered Office:

Plot No. 5, New Industrial Area No. 1,
Mandideep, District - Raisen,
Bhopal - 462 046, M.P.

Details of the Directors seeking appointment/ re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause-49 of the Listing Agreement)

Name of the Director	Mr. A.B. Choudhury	Mr. M. Eipe
Age	67	57
Nationality	Indian	Indian
Date of appointment on the Board	October 24, 2005	May1, 2010
Shareholding in the company	NIL	100 Equity Shares of Re. 1/- each
Qualification/s	M.A., M.M.S.	B.Tech (Chem), IIT - Mumbai and PGDM - IIM, Kolkata
Expertise in specific functional area	Marketing, General Management & Real Estate	Chemical Engineering, Sales & Marketing & Business Management
Directorships held in other companies	Godrej Industries Ltd. Godrej Properties Ltd. Godrej Agrovat Ltd. Godrej Waterside Properties Pvt. Ltd. Swadeshi Detergents Ltd. Vora Soaps Ltd.	Godrej Industries Ltd. Godrej Hygiene Products Ltd. Ensemble Holdings & Finance Ltd.
Chairmanships/ Memberships of committees in other companies	Member – Audit Committee Godrej Properties Ltd. Member – Remuneration Committee Godrej Agrovat Ltd. Godrej Properties Ltd. Member – Investor Grievance Committee Godrej Properties Ltd.	Member – Shareholder’s Committee Godrej Industries Ltd.
Relation with other Directors on the Board, if any	NIL	NIL

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in submitting the Annual Report along with the Audited Accounts for the year ended on March 31, 2010.

REVIEW OF OPERATIONS

Your Company's performance during the year as compared with that during the previous year is summarized below:

	For the Year ended 31-03-2010	For the Year ended 31-03-2009
	Rs. '000	Rs. '000
Income from Operations	–	–
Other Income	800	1,012
Total Income	800	1,012
Total Expenditure	1,080	1,225
Profit for the year before tax	(280)	(214)
Prior period Tax Adjustment	–	–
Provision for Fringe Benefit Tax	1	1
Profit after tax available for appropriation	(280)	(215)
Appropriations	–	–
Proposed Preference Dividend	–	–
Dividend Tax	–	–
Balance brought forward from previous year	(55,392)	(55,177)
Surplus / (Deficit)	(55,672)	(55,392)

DIVIDEND

Your Company has a liability in respect of unpaid Preference Dividend accumulating to Rs.144 lac. Since the profits of the Company are insufficient to meet this liability in full, your Directors do not recommend payment of either equity dividend and / or payment of preference dividend.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

There is a separate section on Management Discussion and Analysis in this Annual Report which, inter alia covers the following:

1. Industry Structure and Development
2. Discussion on financial performance with respect to operational performance
3. Segment – wise performance
4. Human Resources, Industrial Relations
5. Opportunities and Threats
6. Internal Control Systems and their adequacy
7. Risks and concerns
8. Outlook

The same is appended as Annexure A to the Directors' Report.

FINANCIAL POSITION

The main area of operations of the Company is trading in edible oils. In view of the intense volatility of the market, as in the past few years, the management decided to engage in trading only where there was no risk of losses. As a result, the income from operations for the year was NIL which is the same as in the previous year. During the year, there was a loss after tax of Rs. 2.80 lac as against a loss of Rs. 2.95 lac in the previous year. During the year, there was an accumulated loss of Rs. 556.72 lac as compared to a loss of Rs. 553.92 lac in the previous year. The Company has no loan funds as at the end of the previous year.

INDUSTRIAL RELATIONS

Your Company maintained healthy and harmonious industrial relations at all levels.

FIXED DEPOSITS

Your Company is not accepting Fixed Deposits from the public.

DEPOSITORY SYSTEM

Your Company's equity shares are available for dematerialisation through National Securities Depository Limited & Central Depository Services (India) Limited. As of March 31, 2010, 99.16 % of the equity shares of your Company were held in demat form.

DIRECTORS

Mr. A.B. Choudhury retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment

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During the year under review, Mr. M. P. Pusalkar resigned from the Board of the Company w.e.f. May 1, 2010. Mr. M. Eipe has been appointed as an Additional Director w.e.f. May 1, 2010. He is being appointed as Director, liable to retire by rotation at the forthcoming Annual General Meeting. His brief profile has been given along with the Notice of the Annual General Meeting.

AUDITORS

You are requested to appoint Auditors for the current year and to authorise the Board to fix their remuneration. The retiring auditors, Kalyaniwalla & Mistry, Chartered Accountants, are eligible for re-appointment. A certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

AUDIT COMMITTEE

The Audit Committee, constituted pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, has reviewed the Accounts for the year ended 31st March, 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- i) that in preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii) that such accounting policies have been selected and applied consistently and made judgements 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 or loss of the company for that period;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a detailed report on Corporate Governance is included in the Annual Report. The Auditors have certified the Company's compliance of the requirements of the Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is annexed to the report on Corporate Governance.

ADDITIONAL INFORMATION

Information in respect of Conservation of Energy and Technology required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors') Rules, 1988 is not applicable to your Company.

There are no persons employed throughout or part of the financial year for whom, information about the particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 needs to be given.

The report of the Auditors and the Annexure thereto is self explanatory. The Auditors have mentioned in the Annexure to the Auditors Report, that the Company's accumulated losses at the end of the financial year are in excess of fifty percent of its net worth and that the company has incurred cash losses during the financial year end in the immediately preceding financial year. It is pertinent to note that the Company being a trading company the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 does not apply.

ACKNOWLEDGEMENT

Your Directors thank the Union Government, the Government of Madhya Pradesh and Maharashtra, as also all the Government agencies, banks, financial institutions, shareholders, customers, employees, vendors and other related organizations who, through their continued support and co-operation helped as partners in progress of your company.

For and on behalf of the Board of Directors

Mumbai
Date: May 26, 2010

K. K. Dastur
Chairman

ANNEXURE 'A' FORMING PART OF DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT:

The Indian economy regained its momentum to an extent in the current financial year after having gone through a recession in the last financial year.

The vegetable oil market continued to show high volatility in the prices as in the past few years. Since your company operates in vegetable oil trading, in the given situation the objective was to avoid any undue risk. The performance and outlook have been covered separately in this report.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The highlights of overall performance are as follows:

	For the Year ended 31-03-2010	For the Year ended 31-03-2009
	Rs. '000	Rs. '000
Income from Operations	-	-
Other Income	800	1,012
Total Income	800	1,012
Profit Before Tax	(280)	(214)
Profit after Current & Deferred Taxation	(280)	(215)
Profitability ratios are as follows :		
PBDIT/Sales	-	-
PBT/Sales	-	-
PAT/Sales	-	-
Basic EPS (Rs.)	-0.21	-0.20

SEGMENTAL PERFORMANCE:

The Company is engaged in the business of bulk trading of vegetable oils, which is its only segment. There is no identifiable secondary segment.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS:

Industrial Relations with the employees were cordial. The total number of persons employed in your company as on 31st March, 2010 are 2.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your company has proper and adequate system of

internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by documented policies, guidelines and procedures and an extensive programme of internal and external audit and periodic review by management. The system is designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability for assets.

OPPORTUNITIES AND THREATS:

Due to large edible oil demand, deficit indigenous production and necessity to import, trading opportunity exists.

RISKS AND CONCERNS:

The business of the company is likely to be affected by vagaries of weather (local and international), demand for oil, oilseed production and the high price volatility in the market could lead to high risk in trading.

OUTLOOK FOR 2010-11

In the past the company has avoided undue risk due to price volatility in the market. The focus of the company would continue to be avoiding undue risk while looking for profitable business opportunities.

CAUTIONARY STATEMENT

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India, tax laws, import duties, litigation and labour relations.

For and on behalf of the Board of Directors

Mumbai
May 26, 2010

K. K. Dastur
Chairman

REPORT ON CORPORATE GOVERNANCE

Clause 49 of the listing agreement with the Indian Stock Exchanges stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by listed Indian companies.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has always adhered to the standards of Corporate Governance and disclosures. It has over the years established and implemented transparent practices that have resulted in holding the confidence of its various stakeholders.

2. BOARD OF DIRECTORS

a) Composition of the Board

The Board consists of three Directors as on 31st March, 2010 all of whom are non-executive and out of which, 2 are Independent Directors. Composition of the Board and category of Directors is given below in **Table - 1**. Mr. M.P. Pusalkar (Non-Executive Director) resigned from the Board w.e.f. May 1, 2010. Mr. M. Eipe (Non-Executive Director) was appointed as an Additional Director w.e.f. May 1, 2010.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent as laid down under Clause 49. All such declarations are placed before the Board.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

b) Board meetings held and Directors' Attendance Record:

During the Financial Year 2009-10, 4 (four) Board Meetings were held on 27th May, 2009; 29th July, 2009; 31st October, 2009 and 25th January, 2010.

Table - 1: Details of the Board of Directors and meetings attended by Directors during the Financial Year:

Name of Director	Category	No. of Board Meetings		Whether Attended Last AGM	Directorships in Public Companies Incorporated in India	Committee Membership in Companies	
		Held *	Attended			As Chairman	As Member
Mr. K. K. Dastur	Chairman, Non-Executive & Independent Director	4	4	No	7(3)	3	-
Mr. M. P. Pusalkar	Non-Executive Director	4	3	Yes	2(2)	1	2
Mr. A.B. Choudhury	Non-Executive & Independent Director	4	4	No	6(2)	-	4

(i) * Board Meetings held during the year represent the no. of meetings held during the tenure of that Director.

(ii) Figures in () denotes listed Companies

None of the Directors is a member of more than 10 (ten) Board-level committees or a Chairman of more than 5 (five) such committees, as required under Clause 49 of the Listing Agreement.

c) Information supplied to the Board

Among others, this includes:

- Annual operating plans and budgets, capital budgets, and any updates thereon,
- Quarterly results of the Company,
- Minutes of meetings of audit committee and other committees,
- Information on recruitment and remuneration of senior officers just below the Board level,
- Materially important show cause, demand, prosecution and penalty notices,

- Fatal or serious accidents or dangerous occurrences,
- Any materially significant effluent or pollution problems,
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions,
- Significant development in the human resources and industrial relations front,
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business,
- Quarterly details of foreign exchange exposure and the steps taken by manager to limit the risks of adverse exchange rate movement,
- Risk assessment and minimization procedures, and
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of your company is regularly presented with all information under the above heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

d) Directors with materially significant related party transactions, pecuniary or business relationship with the company

Except for drawing sitting fees, none of the Directors have any other materially significant related party transactions, pecuniary or business relationship with the Company.

e) Remuneration of Directors: sitting fees, salary, perquisites and commissions

The details of remuneration package of Directors and their relationships with each other are given in Table 3.

3. AUDIT COMMITTEE

Pursuant to the provisions of the Companies Act, 1956 and the Listing Agreement with the Stock Exchange, an Audit Committee has been constituted to cover the matters specified for Audit Committee under Listing Agreements as well as under the provisions of the Companies Act, 1956.

As on 1st April, 2009, the Audit Committee comprised of Mr. K. K. Dastur – Chairman, Mr. M. P. Pusalkar – Member and Mr. A.B. Choudhury – Member.

As on 31st March, 2010, the Audit Committee comprised of Mr. K.K. Dastur, Mr. M. P. Pusalkar and Mr. A.B. Choudhury. Mr. M.P. Pusalkar resigned from the Board w.e.f. May 1, 2010 and hence ceased to be a Committee Member. Mr. M. Eipe who was appointed as an Additional Director w.e.f. May 1, 2010 was also appointed as a Committee Member. The Company Secretary acts as a Secretary to the Committee. All the members of the Audit Committee have the required financial & accounting knowledge.

During the Financial Year 2009-10, 4 (four) Audit Committee Meetings were held on 27th May, 2009, 29th July, 2009, 31st October, 2009 and 25th January, 2010.

Table-2: Attendance record of audit committee members:

Director	No. of Meetings	
	Held	Attended
Mr. K.K. Dastur, Chairman	4	4
Mr. M. P. Pusalkar	4	3
Mr. A.B. Choudhury	4	4

The terms of reference of the Audit Committee are in consonance with the Clause-49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956 and are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for

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- any other services rendered by the statutory auditors.
4. Reviewing, with the manager, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
 5. Reviewing, with the manager, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing with the manager, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendation to the Board to take up steps in this matter.
 7. Reviewing, with the manager, performance of statutory and internal auditors, adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors any significant findings and follow up thereon.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. To review the functioning of the whistle blower mechanism.
 14. Approval of appointment of CFO (i.e wholtime finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc of the candidate.
 15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 4. REMUNERATION COMMITTEE**
- As on 1st April, 2009, the Remuneration Committee comprised of Mr. K. K. Dastur – Chairman, Mr. M. P. Pusalkar – Member & Mr. A.B. Choudhury – Member.
- As on 31st March, 2010, the Remuneration Committee comprised of Mr. K. K. Dastur, Mr. M. P. Pusalkar and Mr. A.B. Choudhury. Mr. M.P. Pusalkar resigned from the Board w.e.f. May 1, 2010 and hence ceased to be a Committee Member. Mr. M. Eipe who was appointed as an Additional Director w.e.f. May 1, 2010 was also appointed as a Committee Member. The Company Secretary acts as the Secretary to the Committee.
- The members of the Remuneration Committee consider and approve the remuneration payable to the Board and other Managerial personnel. The Committee discusses human resources policies such as compensation and performance management.
- During the Financial Year 2009-10 the meeting was held on 27th May, 2009 where all the members of the Committee were present.
- Except for drawing remuneration, none of the Directors have any other materially significant related party transactions, pecuniary or business relationship with the Company. The details of the sitting fees and remuneration of Non-Executive

Directors for the Financial Year 2009-10 are given below.

Table-3: Remuneration paid/payable to Directors for the Financial Year ended 31st March, 2010.

Name of Director	Relationship with Directors	Sitting fees	Salary	Total
K. K. Dastur	None	4,000	–	4,000
M. P. Pusalkar	None	3,000	–	3,000
A.B. Choudhury	None	4,000	–	4,000
Total		11,000	–	11,000

5. SHAREHOLDERS COMMITTEE

Among other functions, this committee looks into redressal of shareholder complaints regarding transfer of shares, non-receipt of balance sheet as required in clause 49 of the listing agreement. The committee consists of two Directors namely Mr. M.P. Pusalkar (Chairman) and Mr. A.B. Choudhury. Mr. M.P. Pusalkar resigned from the Board w.e.f. May 1, 2010 and hence ceased to be a Committee Member. Mr. M. Eipe who was appointed as an Additional Director w.e.f. May 1, 2010 was also appointed as a Committee Member. During the year, 12 meetings of the Committee were held.

Name and designation of Compliance Officer: Mr. Kiran R. Rajput, Company Secretary

Number of complaints regarding shares for the year ended 31st March, 2010:

Table 4: Complaints received from shareholders.

Complaints outstanding as on April 1, 2009	3
Complaints received during the year ended March 31, 2010	0
Complaints resolved during the year ended March 31, 2010	3
Complaints outstanding as on March 31, 2010	0

There are no pending share transfers as on March 31, 2010.

6. GENERAL BODY MEETINGS

a. Location and Time of previous 3 Annual General Meetings :

Table 5: Details of previous 3 Annual General Meetings:

Year	Venue	Date	Time
2008-09	Registered Office :Plot No. 5, New Industrial Area No. 1, Mandideep, District Raisen, Bhopal 462 046	07-08-2009	2.30 p. m.
2007-08	—do—	18-07-2008	2.30 p. m.
2006-07	—do—	19-07-2007	2.30 p.m.

b. **Special Resolutions passed in previous 3 Annual General Meetings:**

25th AGM held on August 7, 2009:

No Special Resolution

24th AGM held on July 18, 2008:

1. Appointment of Mr. R.P. Gopalkrishnan as Manager of the Company under section 269 of the Companies Act, 1956.

23rd AGM held on 27th July, 2007:

1. Place intercorporate deposits (ICDs) with or invest in commercial paper or any short term securities of Godrej Industries Ltd. subject to maximum limit of Rs.3 Crore (Rupees Three Crore only).

c. **Special Resolutions passed in Extraordinary General Meetings (EGM):**

Date of EGM	No. of Special Resolution(s) Passed	Details of Special Resolution(s) Passed
2009-10		No EGM held during the year
2008-09		No EGM held during the year
2007-08 March 28, 2008	1	Change of name of Company from Godrej Commodities Limited to Wadala Commodities Limited.

7. DISCLOSURES BY DIRECTORS

a. Materially significant related party transactions All details relating to financial and commercial transactions where Directors may have potential interest are provided to the Board, and the interested Directors neither participate in the discussion nor do they vote on such matters.

As on 31st March, 2010, except Mr. M.P. Pusalkar, holding 100 equity shares, none of the Directors hold any equity share in the Company.

b. The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:-

- **Chairman of the Board:** In line with best practice to continuously refresh the Board’s membership, the Board is encouraged to seek a balance between change and continuity. A tenure of nine years may be considered a threshold for granting further tenure/s based, inter alia, on the merit and contribution of each Director.
- **Remuneration Committee:** Details are given under the heading ‘Remuneration Committee’.

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- **Audit Qualifications:** During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- **Whistle Blower Mechanism:** The Company has a Whistle-Blower Policy and the appropriate mechanism in place and no personnel has been denied access to the audit committee.

8. SHARHOLDERS

a. Disclosures regarding appointment or re-appointment of Directors:

According to the Articles of Association of Wadala Commodities Ltd., at every Annual General Meeting of the Company one-third of the Directors are liable to retire by rotation. Thus, Mr. A.B. Choudhury shall retire at this Annual General Meeting of the Company and being eligible, offer himself for re-appointment. Mr. M. P. Pusalkar has resigned from the Board with effect from May 1, 2010 and Mr. Mathew Eipe has been appointed as an Additional Director with effect from May 1, 2010.

Information about the Directors who are being appointed / re-appointed is given as an annexure to the Notice of the Annual General Meeting.

b. Communication to shareholders

The Quarterly, Half Yearly and Annual Results of the Company's performance are published in leading dailies such as Free Press Journal, Nav Bharat and Navshakti. The same is also submitted to The Bombay Stock Exchanges and SEBI (where applicable). The Company

has also posted information relating to its financial results and shareholding pattern on Electronic Data Information Filing and Retrieval system (EDIFAR) at www.sebidifar.nic.in. Effective from April 1, 2010, the EDIFAR system was discontinued and now the information is uploaded at www.corpfiling.co.in.

c. Share transfer

M/s. Computech Sharecap Ltd., which is registered with the SEBI as a Category 1 Registrars, is the Registrar and Transfer Agent of the Company.

d. Details of non-compliance

There has been no instance of Wadala Commodities Ltd not complying with any matter related to Capital Markets.

e. Postal Ballot

No resolutions were moved for passing through Postal Ballot during the year.

9. MANAGEMENT DISCUSSION & ANALYSIS

This Annual Report has a separate chapter on Management Discussion and Analysis.

10. DECLARATION BY MANAGER

The declaration by Manager (Chief Executive Officer), pursuant to clause 49(1)(D) of the listing agreement, stating that all the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended 31st March, 2010 is annexed to the Corporate Governance Report.

For and on behalf of the Board of Directors

Mumbai
May 26, 2010

K. K. Dastur
Chairman

Declaration by Manager

I, R. P. Gopalkrishnan, Manager (Chief Executive Officer) of Wadala Commodities Ltd., hereby confirm pursuant to clause 49(1)(D) of the listing agreement that:

1. The Board of Directors of Wadala Commodities Ltd. has laid down code of conduct for all Board members and senior management of the Company.
2. All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for year ended March 31, 2010.

R. P. Gopalkrishnan

Mumbai
April 23, 2010

Auditors Certificate on Corporate Governance

To the Members of,
Wadala Commodities Limited,
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Wadala Commodities Limited (the Company) for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement subject to the following:

- i) The Company does not have a web site on which the code of conduct can be posted [Clause 49 I (D) (i)].
- ii) The Company has not established formal procedures for risk assessment and minimization thereof, however, the directors have been reviewing risk at the Board meetings [clause 49 IV (C)]

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Vinayak M. Padwal
Partner
Membership No: F49639
Firm Registration No. 104607W

Mumbai,
May 26, 2010

Wadala Commodities Limited

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date : August 13, 2010
 Time : 2.30 p.m.
 Venue : Registered Office
 Plot No. 5, New Industrial Area No. 1,
 Mandideep, Dist. Raisen,
 Bhopal - 462 046, M.P.

Financial Calendar

Financial Year : 1st April, 2009 to 31st March, 2010.

For the year ended 31st March, 2010 results were announced on

First Quarter : 29th July, 2009
 Second Quarter : 31st October, 2009
 Third Quarter : 25th January, 2010
 Annual (Audited) : 26th May, 2010

Book Closure / Record Date

The Share Transfer Register will be closed from August 6, 2010 to August 13, 2010 (both days inclusive) for the purpose of Annual General Meeting.

Listing

The Company's equity shares are listed and traded on the Bombay Stock Exchange Limited with stock code 519035. The ISIN Number of the Company on both NSDL and CDSL is INE868A01020.

The Company has issued 50,00,000, 8% Redeemable Cumulative Preference Shares of Rs. 10/- each, Rs. 9/- called and paid up which are not listed on any Stock Exchange.

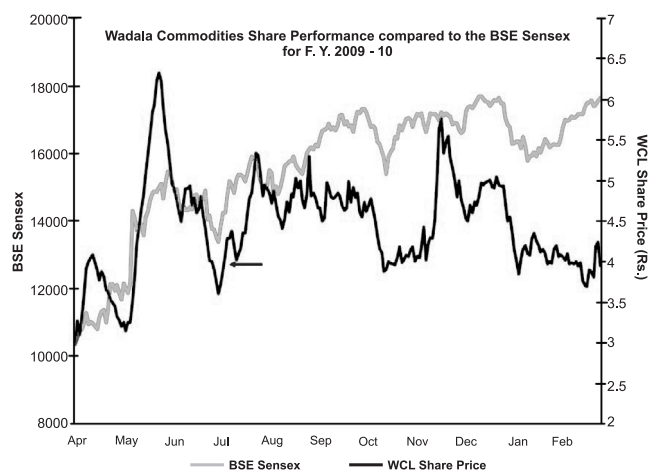
Stock Data

Table 1: Monthly high and low prices and trading volumes of the Company's shares at the Bombay Stock Exchange Ltd. for the year ended on 31st March, 2010.

MONTH	HIGH (Rs.)	LOW (Rs.)	VOLUME (No.of Shares)
April, 2009	4.24	2.45	1,028,89
May, 2009	5.58	2.90	2,37,286
June, 2009	6.53	4.27	2,60,407
July, 2009	4.80	3.46	1,84,269
August, 2009	5.60	4.37	1,78,738
September, 2009	5.53	4.21	2,96,272
October, 2009	5.20	3.85	2,79,130
November, 2009	5.10	3.58	2,25,452
December, 2009	6.08	4.10	4,15,253
January, 2010	5.23	3.95	2,23,506
February, 2010	4.55	3.85	1,23,270
March, 2010	4.68	3.50	2,53,251

Note: The High and Low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in Company's share on the Bombay Stock Exchange Ltd.

Wadala Commodities Limited Share Performance compared to the BSE Sensex for FY 2009-10



Distribution and shareholding

Table 2 and 3 give the distribution pattern of shareholding of the Company by size class and ownership respectively as on 31st March, 2010

Table 2: Distribution of shareholding by size class as on 31st March, 2010

No. of shares	No. of shareholders	Shareholders %	No. of shares held	Shareholding %
1 - 500	6,572	68.42	15,41,145	7.13
501 - 1000	1,513	15.75	13,65,576	6.31
1001 - 2000	766	7.98	12,65,150	5.85
2001 - 3000	241	2.51	6,41,288	2.97
3001 - 4000	117	1.22	4,27,862	1.98
4001 - 5000	154	1.60	7,45,891	3.45
5001 - 10000	141	1.47	10,83,032	5.01
10001 & above	101	1.05	1,45,56,294	67.31
Total	9,605	100.00	2,16,26,238	100.00

Table 3: Distribution of shareholding by ownership as on 31st March, 2010:

Category	No. of Shares Held	% of Shareholding
A Promoters Holding		
1 Indian Promoters	1,10,46,635	51.08
Foreign Promoters	0	0
2 Persons acting in concert	0	0
Sub-Total	1,10,46,635	51.08
B Non-Promoters Holding		
3 Institutional Investors		
a. Mutual Funds & UTI	0	0
b. Banks, Financial Institutions and Insurance Companies	0	0
c. Foreign Institutional Investors	0	0
Sub-Total	0	0
4 Others		
a Private Corporate Bodies	8,68,866	4.02
b Indian Public	93,97,592	43.45
c. NRIs / OCB's	3,13,145	1.45
Sub-Total	1,05,79,603	48.92
Grand Total	2,16,26,238	100.00

Shares held in physical and dematerialised form:

As on 31st March, 2010, 99.16% of Company's Equity Shares were held in dematerialised form and the remaining 0.84% in physical form. Table 4 lists out the details.

Table 4: Break up of physical and dematerialised shares as on 31st March, 2010.

No. of Folios in Physical Mode	No. of Folios in Demat Mode	Total Folios	No. of Shares in Physical Mode	No. of Shares in Demat Mode	Total No. of Shares
951	8,654	9,605	1,81,022	2,14,45,216	2,16,26,238

Shareholders holding shares in electronic form may note that instructions regarding change of address, nomination and power of attorney should be given directly to the depository participants.

There are no outstanding GDRs/ADRs/Warrants/Convertible Instruments of the Company.

Share Transfer Agent and Share Transfer System

Share transfers and related operations for Wadala Commodities Ltd. are conducted by M/s. Computech Sharecap Ltd., which are registered with SEBI as a Category 1 Registrar. Investor correspondence should be addressed to M/s. Computech Sharecap Ltd at :

147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, (Lift Entrance Next to Stylo Tailors), Fort, Mumbai 400 001.

Tel: (022) 22635000 / 01 / 02 / Fax : (022) 226350001

E Mail: helpdesk@computechsharecap.com

Shares held in Electronic Form

Shareholders holding shares in electronic form may note that instructions regarding changes of address, nomination and power of attorney should be given directly to the depository participant.

Wadala Commodities Limited

REPORT OF THE AUDITORS

TO THE MEMBERS OF

WADALA COMMODITIES LIMITED

1. We have audited the attached Balance Sheet of Wadala Commodities Limited, as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet, The Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of Profit and Loss Account, of the loss for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that, none of the Directors of the Company is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

VINAYAK M. PADWAL
PARTNER

Membership No.: F49639
Firm Registration No. 104607W

Mumbai,
May 26, 2010

Annexure to the Auditors' Report.

Referred to in paragraph (3) of our report of even date on the accounts of Wadala Commodities Limited for the year ended 31st March, 2010.

- 1) The Company does not have any Fixed Assets.
- 2) The Company does not have any inventory during the year as all its trading activities are done on back to back basis.
- 3) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not taken loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal

control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.

- 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts and arrangements referred to in section 301 of the Act, 1956 have been entered into the register required to be maintained under the section.
- (b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered into the register required to be maintained under section 301 of the Act have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed thereunder.
- 7) In our opinion and according to the information and explanations give to us, the internal audit system is commensurate with the size of the company and the nature of its business.
- 8) The Company being a trading company, the maintenance of cost records is not applicable to the Company.
- 9) (a) According to the record examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or cess which have not been deposited on account of any dispute.
- 10) *The Company's accumulated losses at the end of the financial year are in excess of fifty percent of its net wealth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.*
- 11) According to the information and explanations given

to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to any banks. There are no dues to financial institutions or debenture holders.

- 12) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract and special statute applicable to chit fund and nidhi/ mutual benefit funds/ societies.
- 14) In our opinion, the Company has maintained proper records of the transaction and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) The Company did not avail any term loans during the year.
- 17) On the basis of an overall examination of balance sheet and cash flows of the Company and information and the explanations given to us, we report that the Company has not utilized funds raised on short-term basis for long term investment.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported.

For and on behalf of
KALYANIWALLA & MISTRY
 CHARTERED ACCOUNTANTS

VINAYAK M. PADWAL
 PARTNER
 Membership No.: F49639
 Firm Registration No. 104607W

Mumbai,
 May 26, 2010

Wadala Commodities Limited

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	AS AT 31st MARCH 2010 Rs.	AS AT 31st MARCH 2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	66,626,238	66,626,238
TOTAL		66,626,238	66,626,238
APPLICATION OF FUNDS			
FIXED ASSETS			
		—	—
INVESTMENT	2	860,520	860,520
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	3	141,429	193,291
Cash and Bank Balances	4	1,302,205	1,487,810
Loans and Advances	5	10,376,136	10,194,856
		11,819,770	11,875,957
Less: CURRENT LIABILITIES & PROVISIONS			
Liabilities	6	1,111,464	1,039,078
Provisions	7	570,524	463,764
		1,681,988	1,502,842
NET CURRENT ASSETS		10,137,782	10,373,115
PROFIT & LOSS ACCOUNT		55,627,936	55,392,603
TOTAL		66,626,238	66,626,238
NOTES TO ACCOUNTS	12		

The schedules referred to above form an integral part of the Balance Sheet.

As per our report attached
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner
Mumbai, 26th May, 2010

K. R. RAJPUT
Company Secretary
Mumbai, 26th May, 2010

Signatures to the Balance Sheet
and Schedules 1 to 7 and 12
For and on behalf of the Board

K. K. DASTUR
Chairman

M. EIPE
Director

PROFIT AND LOSS ACCOUNT FOR THE FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	FOR THE YEAR ENDED 31st MARCH 2010 Rs.	FOR THE YEAR ENDED 31st MARCH 2009 Rs.
INCOME			
Other Income	8	844,910	1,011,674
		<u>844,910</u>	<u>1,011,674</u>
EXPENDITURE			
Employees Remuneration	9	384,729	244,831
Other Expenses	10	694,920	975,134
Interest & Finance Charges	11	594	6,499
		<u>1,080,243</u>	<u>1,226,464</u>
PROFIT BEFORE TAX		(235,333)	(214,790)
Provision for Fringe Benefit Tax		<u>—</u>	<u>(1,221)</u>
PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION		(235,333)	(216,011)
Less : Proposed Preference Dividend		—	—
Less : Tax on distributed profit		<u>—</u>	<u>—</u>
		(235,333)	(216,011)
Add : Loss Brought Forward		<u>(55,392,603)</u>	<u>(55,176,592)</u>
(LOSS) CARRIED FORWARD TO BALANCE SHEET		(55,627,936)	(55,392,603)
Earnings Per Share Basic and Diluted (Rs.)		(0.21)	(0.20)
NOTES TO ACCOUNTS	12		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report attached
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner
Mumbai, 26th May, 2010

K. R. RAJPUT
Company Secretary
Mumbai, 26th May, 2010

Signatures to the Profit and Loss Account
and Schedules 8 to 12
For and on behalf of the Board

K. K. DASTUR
Chairman

M. EIPE
Director

Wadala Commodities Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	FOR THE YEAR ENDED 31ST MARCH 2010 Rs.	FOR THE YEAR ENDED 31ST MARCH 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	(235,333)	(214,790)
(PROFIT) ON SALE OF INVESTMENTS	–	(119,089)
INTEREST INCOME	(800,000)	(800,000)
INTEREST EXPENSE	223	153
OPERATING / PROFIT BEFORE WORKING CAPITAL CHANGES	(1,035,110)	(1,133,726)
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	(129,418)	(32,332)
TRADE PAYABLES AND OTHER LIABILITIES	179,146	(138,147)
CASH GENERATED FROM OPERATIONS	(985,382)	(1,304,205)
DIRECT TAXES PAID	–	(1,221)
NET CASH FROM OPERATING ACTIVITIES	(985,382)	(1,305,426)
B. CASH FLOW FROM INVESTING ACTIVITIES		
SALE OF INVESTMENTS	–	1,000,000
INTEREST RECEIVED	800,000	800,000
NET CASH (USED IN) INVESTING ACTIVITIES	800,000	1,800,000
C. CASH FLOW FROM FINANCING ACTIVITIES		
DIVIDEND PAID	–	–
TAX ON DISTRIBUTED PROFITS	–	–
INTEREST PAID	(223)	(153)
NET CASH (USED IN) FINANCING ACTIVITIES	(223)	(153)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(185,605)	494,421
CASH AND CASH EQUIVALENTS (Opening Balance)		
CASH AND BANK BALANCES	1,487,810	993,389
CASH AND CASH EQUIVALENTS (Closing Balance)		
CASH AND BANK BALANCES	1,302,205	1,487,810

NOTE: 1. The Company did not have any borrowing facilities as at the year end .

2 Previous year's figures are regrouped to confirm with the current year's presentation wherever necessary .

As per our report attached
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner
Mumbai, 26th May, 2010

K. R. RAJPUT
Company Secretary
Mumbai, 26th May, 2010

For and on behalf of the Board

K. K. DASTUR
Chairman

M. EIPE
Director

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	AS AT 31st MARCH 2010 Rs.	AS AT 31st MARCH 2009 Rs.
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
350,000,000 Equity Shares of Re.1/- each	350,000,000	350,000,000
5,000,000 8% Redeemable Cumulative Preference Shares of Rs.10/- each	50,000,000	50,000,000
10,000,000 Unclassified Shares of Rs.10/- each	100,000,000	100,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
ISSUED AND SUBSCRIBED		
21,626,238 Equity Shares of Re.1/- each	21,626,238	21,626,238
5,000,000 8% Redeemable Cumulative Preference Shares of Rs.10/- each	50,000,000	50,000,000
	<u>71,626,238</u>	<u>71,626,238</u>
CALLED AND PAID UP		
21,626,238 Equity Shares of Re.1/- each, fully paid	21,626,238	21,626,238
5,000,000 8% Redeemable Cumulative Preference Shares of Rs.10/- each, (Rs. 9/- called and paid up) – Redeemable on 8th September, 2012	45,000,000	45,000,000
	<u>66,626,238</u>	<u>66,626,238</u>
Of the above:		
a) 5,800,000 Equity Shares were allotted as fully paid up pursuant to a scheme of amalgamation without payment being received in cash.		
b) 3,925,664 Equity Shares were allotted on conversion of debentures		
c) 11,046,635 Equity Shares are held by Godrej & Boyce Mfg. Co. Ltd., the Holding Company.		
SCHEDULE 2 : INVESTMENT		
Current Investments		
Unquoted		
70,678 (Previous year 70,678) units of Kotak Floater Short Term Fund-Growth, of Rs. 10 each (No units purchased or sold during the year 72,352 units sold during the previous year)	860,520	860,520
	<u>860,520</u>	<u>860,520</u>

Wadala Commodities Limited

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	AS AT 31st MARCH 2010 Rs.	AS AT 31st MARCH 2009 Rs.
SCHEDULE 3 : SUNDRY DEBTORS (Unsecured and Considered Good)		
Due for more than six months	141,429	11,725
Other debts	—	181,566
	<u>141,429</u>	<u>193,291</u>
SCHEDULE 4 : CASH AND BANK BALANCES		
Balances with Scheduled Banks in Current Account	1,302,205	1,487,810
	<u>1,302,205</u>	<u>1,487,810</u>
SCHEDULE 5 : LOANS AND ADVANCES (Unsecured and considered good, unless otherwise stated)		
Advances recoverable in cash or in kind	2,606	2,606
Advance Taxes & TDS	348,530	167,250
Deposits	25,000	25,000
Intercorporate deposit	10,000,000	10,000,000
	<u>10,376,136</u>	<u>10,194,856</u>
SCHEDULE 6 : CURRENT LIABILITIES		
Sundry Creditors		
Due to Micro, Small and Medium Enterprises (Refer Note 8 of Schedule 12)	—	—
Due to Others	—	46,169
Other liabilities	1,111,464	992,909
	<u>1,111,464</u>	<u>1,039,078</u>
SCHEDULE 7 : PROVISIONS		
Retirement	570,524	463,764
	<u>570,524</u>	<u>463,764</u>
SCHEDULE 8 : OTHER INCOME		
Profit on sale of current Investments	—	119,089
Insurance claims received	—	92,585
Interest on:		
-Inter Corporate Deposit	800,000	800,000
Miscellaneous	44,910	—
	<u>844,910</u>	<u>1,011,674</u>
SCHEDULE 9 : EMPLOYEES' REMUNERATION		
Salaries, Allowances & Gratuity	746,521	579,194
Contribution to Provident and other funds	56,437	46,247
Staff Welfare Expenses	18,562	18,562
Less : Amount recovered from a company under same management for shared services	(436,791)	(399,172)
	<u>384,729</u>	<u>244,831</u>

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	AS AT 31st MARCH 2010 Rs.	AS AT 31st MARCH 2009 Rs.
SCHEDULE 10 : OTHER EXPENSES		
Establishment Expenses	90,000	90,000
Directors' fees	11,000	13,000
Legal & Professional Fees	181,267	358,691
Advertisements	181,255	200,724
Travel, Conveyance & Petrol	22,674	29,331
Printing & Stationery	97,731	90,345
Postage & Courier	56,197	60,250
Miscellaneous Expenses	54,796	132,793
	<u>694,920</u>	<u>975,134</u>
SCHEDULE 11 : INTEREST & FINANCE CHARGES		
Interest	223	153
Bank Charges	371	6,346
Other Financial Charges	-	-
	<u>594</u>	<u>6,499</u>

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.**SCHEDULE : 12 NOTES TO ACCOUNTS****1. Significant Accounting Policies :**

- a) Accounting Convention
The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.
- b) Investments
Long term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature. Current investments intended to be held for less than one year are carried at the lower of cost and fair value.
- c) Inventory
Traded goods are valued at weighted average cost or net realisable value, whichever is lower.
- d) Foreign Exchange Transactions
Transactions in foreign currency are recorded at rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the period end exchange rates. Premium or discount on forward foreign exchange contracts is amortised over the period of the contract. Exchange gains / losses are recognised in the Profit and Loss Account.
- e) Revenue recognition
 - i) Sales are recognised when goods are despatched to customers and are recorded net of returns, trade discounts, rebates and sales tax.
 - ii) Interest Income is recognised on a time proportion basis.
 - iii) Dividend income is recognised when the right to receive the same is established.
- f) Retirement Benefits
Short-term Employee benefits:
All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the employee renders the related service.
Post Employment Benefits:
Defined Contribution Plans:
Payments made to a defined contribution plan such as Provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

Wadala Commodities Limited

Defined Benefit Plans:

Gratuity for the eligible employees is considered as defined benefit obligation and provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance Sheet.

Other long-term benefits:

Other Long-term Employee benefits viz. Leave Encashment is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gain/losses, if any, are immediately recognised in the Profit and Loss Account as per the Revised AS-15 Employee Benefits.

g) Earnings per share

The basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

h) Deferred Tax Assets is not recognised because of virtual certainty

i) Liabilities/Provisions

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2. Amounts due from Godrej Industries Limited, a company under the same management: (Rs.)

	Maximum balance during the year	As at 31st March 2010	As at 31st March 2009
1 Sundry Debtors	800,000	141,429	186,805
2 Advances recoverable	-	-	11,725

3. Managerial Remuneration

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
Salaries & allowances	328,292	198,584
Company's contribution to Provident fund	56,437	46,247
Estimated monetary value of perquisites	-	-
	<u>384,729</u>	<u>244,831</u>

4. Auditors Remuneration:

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
Audit Fees	30,000	30,000
Audit under other statutes	30,000	30,000
Certification	10,000	10,000
	<u>70,000</u>	<u>70,000</u>

5. Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI of the Companies Act, 1956.

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Quantity Tonnes	Value Rs	Quantity Tonnes	Value Rs
A SALES				
Oils	-	-	-	-
B PURCHASE OF TRADING GOODS				
Oils	-	-	-	-

6. Hedging Contracts

The Particulars of forward exchange contracts used for hedging foreign exchange exposure are as under:

Details	This year Purchase	Previous year Purchase
Contracts entered during the year	-	-
Foreign currency Value Covered US Dollar (Million)	-	-
Total no. of contracts Outstanding as at the year end	-	-
Uncovered foreign exchange Exposure as at the year end US Dollar(Million)	-	-

7. Related Party Disclosures :

List of Related Parties & Relationships:

- Holding Company.
Godrej & Boyce Manufacturing Co. Ltd.
- Fellow Subsidiaries
Godrej Industries Ltd.
Godrej Infotech Ltd.
Godrej (Malaysia) Sdn Bhd.
(Incorporated in Malaysia)
Godrej (Singapore) Pte. Ltd.
(Incorporated in Singapore)
Prashant Metal Forming Industries Pvt Ltd
(w.e.f. March 25, 2009)
Veromatic International BV
(Incorporated in the Netherlands)
(w.e.f. April 14,2008)
Veromatic Services BV
(Incorporated in the Netherlands)
Water Wonder Benelux Bv
(Incorporated in the Netherlands)
- Persons exercising significant influence over the company :
Mr.R.P. Gopalakrishnan

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d) The following transactions were carried out with the related parties in ordinary course of business:

Sr. No. Transaction	Fellow Subsidiary Godrej Industries Ltd.	Key Management personnel	Rs. Total
1 Expenses Reimbursed to other Company	577,291 516,000	-	577,291 516,000
2 Sale of goods	-	-	-
3 Guarantee Commission Paid	-	-	-
4 Proposed/Paid Preference Dividend	-	-	-
5 Inter Corporate Deposit given	10,000,000 10,000,000	-	10,000,000 10,000,000
6 Establishment Charges	45,000 44,000	-	45,000 44,000
7 Reimbursement of Expenses	-	-	-
8 Remuneration	-	192,430 146,157	192,430 146,157
9 Outstanding – a) Receivables	141,429 275,000	-	141,429 275,000
– b) Payables	251,159 1,258	-	251,159 1,258

Note: Figures in bold-italics pertain to the Previous Year.

8. Sundry Creditors

The information pertaining to micro, small and medium enterprises as required to be disclosed in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2, 2006; the Company is required to make certain disclosures relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling and assimilating the relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosures have been made in the accounts.

9. Segment Reporting

The Company is engaged in the business of bulk trading of vegetable oils which is its only primary business segment. The Company operates in economic environments which are subject to the same risks and returns. Hence, there is no identifiable secondary segment.

10. Earnings Per Share

Sr. No. Particulars	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
a) Earnings attributable to Equity Shareholders		
Net Profit as per Profit & Loss account	(235,333)	(214,790)
Less : Preference Dividend @ 8%	3,600,000	3,600,000
Less : Dividend Tax	611,820	611,820
(A)	(4,447,153)	(4,426,610)

b) Number of Equity Shares

Outstanding at the beginning of the year	21,626,238	21,626,238
Outstanding at the end of the year	21,626,238	21,626,238
Weighted average outstanding during the year (B)	21,626,238	21,626,238

c) Basic & Diluted Earnings Per Share

(In Rs.) – (A) / (B)

(0.21) (0.20)

d) Nominal Value Per Share

Re.1/- Re.1/-

Note : There is no diluted EPS as there are no dilutive potential equity shares

11. Preference Dividend

Arrears of Preference Dividend as at the year end is Rs.14,400,000 (Previous Year Rs.10,800,000).

12. Deferred Taxes

The Company is trading in edible oils based on opportunities and avoiding undue risk due to price volatilities. In view of insufficient profits in the future to offset brought forward losses, the company has not recognised Deferred Tax Asset.

13. Sundry debtors, Loans and advances and Sundry Creditors are subject to confirmation / reconciliation and consequential adjustment, if any.

14. Expenditure in Foreign Currency

Interest NIL (Previous Year Rs. NIL)

15. Value of Imports on CIF Basis (includes only Imports directly made)

Trading goods Rs.NIL (Previous Year Rs. NIL)

16. Previous Year's figures have been regrouped/reclassified, wherever necessary.

Wadala Commodities Limited

17 ADDITIONAL INFORMATION AS REQUIRED UNDER PART VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

1 Registration Details

Registration No.	2382
CIN No.	L15142MP1984PLC002382
State Code	10
Balance Sheet Date	31-03-2010

2 Capital Raised during the period

(Amounts in Rs.)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

3 Position of mobilisation and deployment of funds

(Amounts in Rs)

Total Liabilities	66,626,238
Total Assets	66,626,238

Sources of Funds

Paid-up Capital	66,626,238
Reserves and Surplus	—
Secured Loans	—
Unsecured Loans	—

Application of Funds

Net Fixed Assets	—
Investments	860,520
Net Current Assets	10,137,782
Misc Expenditure	—
Accumulated Losses	55,627,936

4 Performance of Company

Turnover	844,910
Total Expenditure	1,080,243
Loss/Profit before tax	(235,333)
Loss/Profit after tax	(235,333)
Earnings per share Rs. (on an annualised basis)	(0.21)
Dividend rate %	—

5 Generic Names of principal products / services of the Company

Item code no.	15.16 *
Product description	Refined Oils

(* represents Heading no. of the Harmonised Commodity Description and coding system)

Wadala Commodities Limited

Regd. Office : Plot No. 5, New Industrial Area No.1, Mandideep, Dist. Raisen, Bhopal - 462 046, M.P.

PROXY

I/We _____ of _____ being a member(s) of WADALA COMMODITIES LIMITED hereby appoint Mr./Ms. _____ of _____ or failing him Mr./Ms. _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Friday, August 13, 2010 at 2.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Name of the Shareholder _____

Folio No. _____ No. of Shares held _____

Client ID No. _____ DP ID No. _____



Signature

- Note :
1. The Proxy Form should be signed across the stamp, as per specimen signature registered with the Company.
 2. The Proxy must be deposited at the Registered office of the Company at Plot No. 5, New Industrial Area No.1, Mandideep, Dist. Raisen, Bhopal - 462 046, M.P. not less than 48 hours before the time of holding this meeting.
 3. A Proxy need not be a Member.

TEAR HERE

Wadala Commodities Limited

Regd. Office : Plot No. 5, New Industrial Area No.1, Mandideep, Dist. Raisen, Bhopal - 462 046, M.P.

**ATTENDANCE SLIP FOR
26TH ANNUAL GENERAL MEETING**

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders may obtain additional Attendance Slip on request.

NAME & ADDRESS OF THE SHAREHOLDER _____

FOLIO NO. _____ No. of Shares held _____ As on _____, 2010

Client ID No. _____ DP ID No. _____

I hereby record my presence at the 26TH ANNUAL GENERAL MEETING of the Company held on Friday, August 13, 2010 at the Registered Office of the Company at Plot No. 5, New Industrial Area No.1, Mandideep, Dist. Raisen, Bhopal - 462 046, M.P. at 2.30 p.m.

SIGNATURE OF THE SHAREHOLDER OR PROXY

Tear Here

BOOK POST

U.C.P.

If undelivered please return to :
Wadala Commodities Limited
L. M. Nadkarni Marg,
Near M.P.T. Hospital,
Wadala (East), Mumbai - 400 037.