

**TWENTY EIGHTH ANNUAL REPORT
2011 - 2012**

Wadala Commodities Limited

Wadala Commodities Limited

DIRECTORS	K.K. Dastur <i>Chairman</i> M. Eipe A.B. Choudhury
COMPANY SECRETARY	N.N. Pingale
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.
WEBSITE	www.wadalacommodities.co.in
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
Email : helpdesk@computechsharecap.com

Intimation of Change of Address, if any, should reach our Registrars & Share Transfer Agents latest by 24th August, 2012 to update our records.

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NOTICE

Notice is hereby given that the 28th Annual General Meeting of Wadala Commodities Limited will be held on August 24, 2012 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, 2012, 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. M. Eipe 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 [Firm Registration No.: 104607W], the retiring auditors are eligible for re-appointment.

By Order of the Board of Directors

Place: Mumbai
Date: May 30, 2012

N. N. Pingale
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 17 , 2012 to August 24, 2012 (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.

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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. M. Eipe
Age	59
Nationality	Indian
Date of appointment on the Board	May 1, 2010
Shareholding in the company	100 Equity Shares of Re. 1/ - each
Qualification/s	B.Tech (Chem.) , IIT – Mumbai and PGDM – IIM , Kolkata
Expertise in specific functional area	Chemical Engineering, Sales & Marketing & Business Management
Directorships held in other companies	Godrej Industries Ltd. Godrej Hygiene Products Ltd. Ensemble Holdings & Finance Ltd.
Chairmanships/ Memberships of committees in other companies	Member – Shareholder’s Committee Godrej Industries Ltd.
Relation with other Directors on the Board, if any	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, 2012.

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 31-03-2012 ₹ '000	For the Year ended 31-03-2011 ₹ '000
Income from Operations	3,084	–
Other Income	893	964
Total Income	3,976	964
Total Expenditure	3,373	1,317
Profit for the year before tax	203	(353)
Prior period Tax Adjustment	–	–
Profit after tax available for appropriation	203	(353)
Appropriations		
Proposed Preference Dividend	–	–
Dividend Tax	–	–
Balance brought forward from previous year	(55,981)	(55,628)
Surplus / (Deficit)	(55,778)	(55,981)

DIVIDEND

Your Company has a liability in respect of unpaid Preference Dividend accumulating to ₹ 216 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. 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 operations of your Company are trading in edible oils. During the year, your Company saw opportunities to trade in edible oils. Your Company also provided ancillary services related to its knowledge in vegetable oil. As a result, the income from operations for the year was ₹ 30.84 lac as against NIL in the previous year. During the year there was a profit after tax of ₹ 2.03 lac as against loss of ₹ 3.53 lac in the previous year. The accumulated loss as on March 31, 2012 stood at ₹ 557.78 lac as compared to ₹ 559.81 as at March 31, 2011. The Company has no loan funds as at the end of the 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, 2012, 99.18 % of the equity shares of your Company were held in demat form.

DIRECTORS

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

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 [Firm Registration No.: 104607W], are

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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 March 31, 2012.

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 and 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, 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

Place: Mumbai
Date: May 30, 2012

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 31-03-2012 ₹ '000	For the Year ended 31-03-2011 ₹ '000
Income from Operations	3,084	-
Other Income	893	964
Total Income	3,976	964
Profit Before Tax	203	(353)
Profit after Current & Deferred Taxation	203	(353)
Profitability ratios are as follows :		
PBDIT/Sales	6.60%	-
PBT/Sales	6.60%	-
PAT/Sales	6.60%	-
Basic EPS (₹)	-0.19	-0.21

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 March 31, 2012 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 strong edible oil demand, deficit indigenous production and necessity to import, there would be opportunities to trade in vegetable oil. At the same time, the intense volatility in the market could increase the risk of losses on account of trading.

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 2012-13

Your company would continue to look at profitable opportunities in trading in vegetable oil while avoiding undue risks.

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 30, 2012

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 March 31, 2012 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**.

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 2011-12, 4 (four) Board Meetings were held on May 30, 2011; July 30, 2011; November 8, 2011 and February 3, 2012.

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 held in other public companies Incorporated in India as at year end [§]	No. of Chairmanship/ membership in Board Committees in other companies as at year end [®]	
		Held *	Attended			As Chairman	As Member
Mr. K. K. Dastur	Chairman, Non-Executive & Independent Director	4	4	No	5(2)	1	2
Mr. M. Eipe	Non-Executive Director	4	3	No	3(1)	-	1
Mr. A.B. Choudhury	Non-Executive & Independent Director	4	4	No	5(2)	-	2

- i. [§] Alternate Directorships and Directorships in private companies, foreign companies and associations are excluded.
- ii. [®]In accordance with Clause 49, chairmanship / membership of only the Audit Committees and Shareholders Committees in all public limited companies (except Wadala Commodities Limited) have been considered.
- iii. *Board Meetings held during the year represent the number of meetings held during the tenure of that Director.
- iv. 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, as may be applicable:

- 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 nonpayment 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 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 April 1, 2011, the Audit Committee comprised of Mr. K. K. Dastur - Chairman, Mr. M. Eipe – Member and Mr. A. B. Choudhury - Member.

As on March 31, 2012, the Audit Committee comprised of Mr. K. K. Dastur, Mr. M. Eipe and Mr. A. B. Choudhury. The Company Secretary acts as a Secretary to the Committee. All the members of the Audit Committee have the required financial and accounting knowledge. During the Financial Year 2011-12, 4 (four) Audit Committee Meetings were held on May 30, 2011; July 30, 2011; November 8, 2011 and February 3, 2012.

Table-2: Attendance record of Audit Committee members:

Director	No. of Meetings	
	Held	Attended
Mr. K.K. Dastur, Chairman	4	4
Mr. M. Eipe	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 any other services rendered by the statutory auditors.

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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 nonpayment of declared dividends) and creditors.
 13. To review the functioning of the whistle blower mechanism.
 14. Approval of appointment of CFO (i.e. whole time 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 April 1, 2011, the Remuneration Committee comprised of Mr. K.K. Dastur - Chairman, Mr. M. Eipe - Member and Mr. A.B. Choudhury - Member. As on March 31, 2012, the Remuneration Committee comprised of Mr. K.K. Dastur, Mr. M. Eipe and Mr. A.B. Choudhury. 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 2011-12 the Remuneration Committee had approved the appointment of Mr. C.J. Shetty as a Manager of the Company. 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 2011-12 are given below.

Table-3: Remuneration paid/payable to Directors for the Financial Year ended March 31, 2012:

Name of Director	Relationship with Directors	Sitting fees	Salary	Total
Mr. K. K. Dastur	None	4,000	-	4,000
Mr. M. Eipe	None	3,000	-	3,000
Mr. 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.

As on April 1, 2011 the Shareholders Committee comprised of Mr. M. Eipe – Chairman and Mr. A.B. Choudhury - Member. As on March 31, 2012, the Shareholders Committee comprised of Mr. M. Eipe and Mr. A.B. Choudhury. During the year, 4 meetings of the Committee were held.

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

Number of complaints regarding shares for the year ended March 31, 2012.

Table 4: Complaints received from shareholders:

Complaints outstanding as on April 1, 2011	0
Complaints received during the year ended March 31, 2012	0
Complaints resolved during the year ended March 31, 2012	0
Complaints outstanding as on March 31, 2012	0

There are no pending share transfers as on March 31, 2012.

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
2010-11	Registered Office : Plot No. 5, New Industrial Area No. 1, Mandideep, District Raisen, Bhopal 462 046.	05-08-2011	2.30 p.m.
2009-10	—do—	13-08-2010	2.30 p.m.
2008-09	—do—	07-08-2009	2.30 p.m.

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

27th AGM held on August 5, 2011:

Appointment of Mr. C. J. Shetty as Manager of the Company under Section 269 of the Companies act, 1956.

26th AGM held on August 13, 2010:

No Special Resolution

25th AGM held on August 7, 2009:

No Special Resolution

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

Date of EGM	No. of Special Resolution(s) Passed	Details of Special Resolution(s) Passed
2011-12	No EGM held during the year	
2010-11	No EGM held during the year	
2009-10	No EGM held during the year	

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 March 31, 2012, except Mr. M. Eipe, 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’.
- **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.

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- **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 reappointment of Directors

According to the Articles of Association of the Company, one-third of the Directors are liable to retire by rotation at every Annual General Meeting. Thus, Mr. M. Eipe shall retire at this Annual General Meeting of the Company and being eligible, offer himself for re-appointment. 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, Business Standard, and Navshakti. The same is also submitted to The Bombay Stock Exchange and SEBI (where applicable) and are posted on the website of the Company. The Company's website address is www.wadalacommodities.co.in. The Company has also posted information relating to its financial results and shareholding pattern, and Corporate Governance Report on the corporate filing website at www.corpfiling.co.in.

c. Share transfer

M/s. Computech Sharecap Limited, 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 AND 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 March 31, 2012 is annexed to the Corporate Governance Report.

11. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES – 2009

Your Company is committed to maintaining highest standards of Corporate Governance by adhering to the requirements set out by SEBI.

With a view to strengthening the Corporate Governance framework, the Ministry of Corporate Affairs has issued voluntary guidelines in December 2009 for adoption by the companies. These guidelines are intended to serve as a benchmark for Corporates to help them to adopt the highest standards. Corporate Governance guidelines do not substitute any extant law or regulation but are essentially for voluntary adoption by Corporates.

Your Company is already in compliance with most of these requirements and continually reviews for enhancements as appropriate.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 30, 2012

K. K. Dastur
Chairman

DECLARATION BY MANAGER

I, C. J. Shetty, 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, 2012.

Mumbai
April 23, 2012

C.J. Shetty

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,
Wadala Commodities Limited,
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Wadala Commodities Limited (the Company) for the year ended on March 31, 2012, 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:

- The Chairman of the Audit Committee was not present at the Annual General Meeting to answer shareholder queries. [Clause 49II(A)(iv)]

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

For and on behalf of

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W

DARAIUS Z. FRASER
PARTNER
Membership No: 42454

Mumbai,
May 30, 2012

Wadala Commodities Limited

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date : August 24, 2012
 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 : April 1, 2011 to March 31, 2012.

For the year ended March 31, 2012 results were announced on

First Quarter July 30, 2011
 Second Quarter November 8, 2011
 Third Quarter February 3, 2012
 Annual (Audited) May 30, 2012

Book Closure / Record Date

The Share Transfer Register will be closed from August 17, 2012 to August 24, 2012 (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 ₹ 10/- each, ₹ 9/- called and paid up which are not listed on any Stock Exchange.

Stock Data

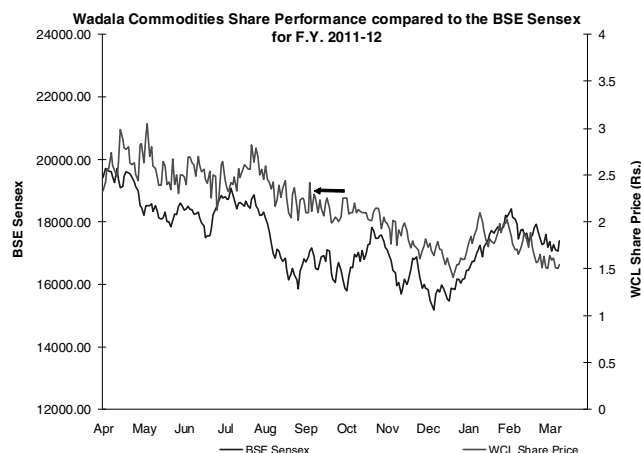
Table 1: Monthly high and low prices and trading volumes of the Company's shares at the Bombay Stock Exchange Limited for the year ended on March 31, 2012.

MONTH	HIGH (₹)	LOW (₹)	VOLUME (No.of Shares)
April 2011	3.07	2.16	85,912
May 2011	3.48	2.19	58,464
June 2011	2.96	2.00	1,68,623
July 2011	2.99	2.11	2,16,376
August 2011	2.68	1.81	1,24,518
September 2011	2.50	1.82	80,209
October 2011	2.50	2.00	42,497
November 2011	2.25	1.57	62,935
December 2011	1.91	1.48	47,023
January 2012	2.10	1.41	50,197
February 2012	2.12	1.60	93,099
March 2012	1.90	1.44	1,00,488

Notes:

- 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 Limited.

Wadala Commodities Limited Share Performance compared to BSE Sensex for FY 2011 -12



Distribution and shareholding

Table 2 and 3 give the distribution pattern of shareholding of the Company by size class and ownership respectively as on March 31, 2012

Table 2: Distribution of shareholding by size class as on March 31, 2012:

No. of shares	No. of shareholders	Shareholders %	No. of shares held	Shareholding %
1 - 500	6,144	67.70	14,31,986	6.62
501 - 1000	1,451	15.99	13,14,307	6.08
1001 - 2000	727	8.01	11,98,651	5.54
2001 - 3000	228	2.51	6,06,480	2.80
3001 - 4000	113	1.25	4,11,167	1.90
4001 - 5000	139	1.53	6,71,302	3.10
5001 - 10000	152	1.67	11,59,035	5.36
10001 & above	121	1.33	1,48,33,310	68.59
Total	9,075	100.00	2,16,26,238	100.00

Table 3: Distribution of shareholding by ownership as on March 31, 2012:

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	5,28,394	2.44
b. Indian Public	97,15,578	44.92
c. NRIs / OCB's	3,35,631	1.55
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 March 31, 2012, 99.18% of Company's Equity Shares were held in dematerialised form and the remaining 0.82% in physical form. Table 4 lists out the details.

Table 4: Break up of physical and dematerialized shares as on March 31, 2012.

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
936	8,139	9,075	1,77,857	2,14,48,381	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 Limited, which are registered with SEBI as a Category 1 Registrar. Investor correspondence should be addressed to M/s. Computech Sharecap Limited at

147, Mahatma Gandhi Road,

Opp. Jehangir Art Gallery,

Fort, Mumbai 400 001.

Tel: (022) 22635000 / 01 / 02 /

Fax : (022) 22635001

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.

For Wadala Commodities Limited

K.K. Dastur
Chairman

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 2012 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, as amended by the Companies (Auditor's Report) Order, 2004, 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012;
 - ii) in the case of Statement of Profit and Loss, of the profit 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, 2012 and taken on record by the Board of Directors, we report that, none of the Directors of the Company are disqualified as on 31st March, 2012 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
Firm Registration No. 104607W

DARAIUS Z. FRASER
PARTNER
Membership No. 42454

Mumbai,
May 30, 2012

Annexure to the Auditors' Report

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, 2004, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we further report that :

- 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 listed 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 Companies 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 Act and the rules framed thereunder.
- 7) In our opinion and according to the information and explanations given 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 worth. The Company has not incurred cash losses during the financial year; however it has incurred cash losses during 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 any 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
Firm Registration No. 104607W

DARAIUS Z. FRASER
PARTNER
Membership No. 42454

Mumbai,
May 30, 2012

Wadala Commodities Limited

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	Current Year ₹	Previous Year ₹
I. EQUITY AND LIABILITIES			
1. Shareholder's funds			
(a) Share Capital	2	66,626,238	66,626,238
(b) Reserves and Surplus	3	(55,777,534)	(55,980,956)
		<u>10,848,704</u>	<u>10,645,282</u>
2. Non Current Liabilities			
(a) Long-term Borrowings		—	—
(b) Deferred Tax Liabilities (Net)		—	—
(c) Other Long-term Liabilities		—	—
(d) Long-term Provisions		—	—
		<u>—</u>	<u>—</u>
3. Current Liabilities			
(a) Short -term Borrowings		—	—
(b) Trade Payables	4	3,381,499	—
(c) Other Current Liabilities	5	822,558	1,031,324
(d) Short-term Provisions	6	—	588,894
		<u>4,204,057</u>	<u>1,620,218</u>
TOTAL		<u><u>15,052,761</u></u>	<u><u>12,265,500</u></u>
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets		—	—
(i) Tangible Assets		—	—
(ii) Intangible Assets		—	—
(iii) Capital Work-in-Progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments		—	—
(c) Long-term Loans and Advances	7	387,850	366,061
		<u>387,850</u>	<u>366,061</u>
2. Current Assets			
(a) Current Investments	8	389,457	389,457
(b) Inventories		—	—
(c) Trade Receivables	9	3,564,767	40,092
(d) Cash, Bank Balances and Cash Equivalents	10	9,941,067	11,467,856
(e) Short-term Loans and Advances		—	—
(f) Other Current Assets	11	769,620	2,034
		<u>14,664,911</u>	<u>11,899,439</u>
TOTAL		<u><u>15,052,761</u></u>	<u><u>12,265,500</u></u>
Summary of Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached

Signatures to the Financial Statements and Notes

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

For and on behalf of the Board

DARAIUS Z. FRASER
Partner
Mumbai, 30th May, 2012

N. N. PINGALE
Company Secretary
Mumbai, 30th May, 2012

K. K. DASTUR
Chairman

M. EIPE
Director

A. B. CHOUDHURY
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Current Year ₹	Previous Year ₹
I Revenue from Operations			
Revenue from Operations (Gross)	12	3,409,302	-
Less : Excise Duty		325,425	-
		<u>3,083,877</u>	-
II Other Income	13	<u>892,539</u>	963,960
III Total Revenue (I + II)		<u>3,976,416</u>	<u>963,960</u>
IV Expenses			
Cost of Raw Materials including Packing Material Consumed		-	-
Purchases of Stock in Trade	14	2,762,294	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		-	-
Employee Benefits Expenses	15	143,629	189,112
Other Expenses	16	865,853	1,124,665
Finance Costs	17	1,218	3,203
Depreciation and Amortization Expenses		-	-
Total Expenses		<u>3,772,994</u>	<u>1,316,980</u>
V Profit Before Exceptional Item and Tax (III-IV)		203,422	(353,020)
VI Exceptional Items		-	-
VII Profit Before Tax (V+VI)		203,422	(353,020)
VIII Tax Expense			
(a) Current Tax		38,762	-
(b) MAT Credit		(38,762)	-
		<u>-</u>	<u>-</u>
IX Profit for the Year (VII-VIII)		<u>203,422</u>	<u>(353,020)</u>
X Earnings per Equity Share	18		
(1) Basic and Diluted		(0.19)	(0.21)
Summary of Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached

Signatures to the Financial Statements and Notes

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

For and on behalf of the Board

DARAIUS Z. FRASER
Partner
Mumbai, 30th May, 2012

N. N. PINGALE
Company Secretary
Mumbai, 30th May, 2012

K. K. DASTUR
Chairman

M. EIPE
Director

A. B. CHOUDHURY
Director

Wadala Commodities Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Current Year ₹	Previous Year ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) Before Tax:	203,422	(353,020)
Adjustment for:		
(Profit) / Loss on Sale of Investments (Net)	-	(128,938)
Interest Income	<u>(767,586)</u>	<u>(835,022)</u>
	<u>(767,586)</u>	<u>(963,960)</u>
Operating Cash Flows Before Working Capital Changes	<u>(564,164)</u>	<u>(1,316,980)</u>
Adjustments for:		
(Increase)/ Decrease in Trade Receivables	<u>(3,524,675)</u>	101,338
(Increase)/ Decrease in Long Term Loans and Advances	<u>(21,789)</u>	10,008,041
(Increase)/ Decrease in Other Current Assets	-	-
Increase/ (Decrease) in Other Long Term Liabilities	-	(950)
Increase/ (Decrease) in Trade Payables	<u>3,381,499</u>	-
Increase/ (Decrease) in Other Current Liabilities	<u>(208,765)</u>	(79,190)
Increase/ (Decrease) in Short Term Provisions	<u>(588,894)</u>	18,370
	<u>(962,624)</u>	<u>10,047,609</u>
Cash Generated/ (Utilised) from Operations	<u>(1,526,788)</u>	<u>8,730,629</u>
Adjustment for:		
Direct Taxes Paid	-	-
Net Cash Flow from Operating Activities Before Exceptional Item	<u>(1,526,788)</u>	<u>8,730,629</u>
Net Cash Flow from Operating Activities After Exceptional Item (A)	<u>(1,526,788)</u>	<u>8,730,629</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	-	600,000
Interest Received	-	835,022
Net Cash Flow From Investing Activities (B)	<u>-</u>	<u>1,435,022</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Flow From Financing Activities (C)	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D)=(A)+(B)+(C)	<u>(1,526,788)</u>	<u>10,165,651</u>
Net Cash and cash equivalents as at the beginning of the year (Opening Balance)	<u>11,467,856</u>	<u>1,302,205</u>
Net Cash and cash equivalents as at the end of the year (Closing Balance)	<u>9,941,067</u>	<u>11,467,856</u>
Cash, Cash Equivalents and Other Bank Balances as per Balance Sheet:		
Balances with banks		
On Current Account	<u>941,067</u>	2,467,856
Cash on hand	-	-
Other Bank Balances		
Deposits with more than 3 months but less than 12 months maturity	<u>9,000,000</u>	<u>9,000,000</u>
Cash, cash equivalents and Other Bank Balances as per Balance Sheet	<u>9,941,067</u>	<u>11,467,856</u>

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

For and on behalf of the Board

DARAIUS Z. FRASER
Partner
Mumbai, 30th May, 2012

N. N. PINGALE
Company Secretary
Mumbai, 30th May, 2012

K. K. DASTUR
Chairman

M. EIPE
Director

A. B. CHOUDHURY
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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 Statement of Profit and Loss.

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. Employee Benefits

i. 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 Statement of Profit and Loss of the year in which the employee renders the related service.

ii. Post Employment Benefits

Defined Contribution Plans:

Payments made to a defined contribution plan such as Provident Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

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 Statement of Profit and Loss as per the Revised AS-15 Employee Benefits.

Wadala Commodities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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 absence 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.

	Current Year ₹	Previous Year ₹
2. SHARE CAPITAL		
1 Authorised Share Capital		
(a) 350,000,000 Equity shares of ₹ 1/- each	350,000,000	350,000,000
(b) 5,000,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	50,000,000	50,000,000
(c) 10,000,000 Unclassified Shares of ₹10/- each	100,000,000	100,000,000
Total Authorised Share Capital	<u>500,000,000</u>	<u>500,000,000</u>
2 Issued and Subscribed Share Capital		
(a) 21,626,238 Equity Shares of ₹ 1/- each 21,626,238 each fully paid	21,626,238	21,626,238
(b) 5,000,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	50,000,000	50,000,000
(c) Nil Unclassified Shares of ₹10/- each	-	-
	<u>71,626,238</u>	<u>71,626,238</u>
3 Called and Paid Up Share Capital		
(a) 21,626,238 Equity Shares of ₹ 1/- each 21,626,238 each fully paid	21,626,238	21,626,238
(b) 5,000,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each (₹ 9/- called & paid up)	45,000,000	45,000,000
Total Called and Paid Up Share Capital	<u>66,626,238</u>	<u>66,626,238</u>

NOTES:

a) Terms / rights attached to equity shares

The Company has equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

b) Terms / rights attached to preference shares

The Company had allotted 5,000,000; 8% Cumulative Preference shares on September 07, 2002, which are redeemable on September 08, 2012. The Preference shares rank above the claims of ordinary shareholders in the event of a winding up.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

- c) Terms / rights attached to Unclassified Shares.
The Company has not issued any Unclassified Shares.
- d) The reconciliation of number of Equity Shares outstanding

	Current Year No. of Shares	Previous Year No. of Shares
Shares outstanding at the beginning of the year	21,626,238	21,626,238
Add : Shares Issued during the year	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	21,626,238	21,626,238

- e) The reconciliation of number of Preference Shares outstanding

Shares outstanding at the beginning of the year	45,000,000	45,000,000
Add : Shares Issued during the year	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	45,000,000	45,000,000

- f) There are no equity shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
- g) For the period of five years immediately preceding the date of the Balance Sheet:
- The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash; or
 - Allotted as fully paid up bonus shares; or
 - Bought back any of its equity shares.
- h) There are no calls unpaid on any equity shares
- i) There are no forfeited shares.
- j) Holding company details :

Name of the Shareholder	Current Year		Previous Year	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Company Limited	11,046,635	51.08	11,046,635	51.08

- k) Shareholders holding more than 5% shares in the Company:

	Current Year		Previous Year	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce manufacturing Company Limited	11,046,635	51.08	11,046,635	51.08

3. RESERVES AND SURPLUS

	AS AT 31st MARCH 2012 ₹	AS AT 31st MARCH 2011 ₹
Surplus		
Balance as per last financial statements	(55,980,956)	(55,627,936)
Add: Profit/ (-) Loss for the Year	203,422	(353,020)
Closing Balance	<u>(55,777,534)</u>	<u>(55,980,956)</u>
TOTAL	<u>(55,777,534)</u>	<u>(55,980,956)</u>

Wadala Commodities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Current Year ₹	Previous Year ₹
4. TRADE PAYABLES		
1. Due to Micro, Small and Medium Enterprises	-	-
2. Others	3,381,499	-
TOTAL	<u>3,381,499</u>	<u>-</u>
5. OTHER CURRENT LIABILITIES		
1. Taxes, Duties and Other Levies Payable	43,018	19,783
2. Other Payables	255,630	487,031
3. Unclaimed Buyback shares	523,910	524,510
TOTAL	<u>822,558</u>	<u>1,031,324</u>
6. SHORT TERM PROVISIONS		
1. PROVISION FOR EMPLOYEE BENEFITS		
(a) Gratuity	-	274,561
(b) Leave Encashment	-	314,333
TOTAL	<u>-</u>	<u>588,894</u>
7. LONG TERM LOANS AND ADVANCES		
1. Security Deposits	25,000	25,000
2. Other Loans and Advances		
a) Advance Tax & TDS (net of Provisions)	324,088	341,061
b) MAT Credit Entitlement	38,762	-
TOTAL	<u>387,850</u>	<u>366,061</u>

8. CURRENT INVESTMENTS

	Face Value ₹	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
Investments in Mutual Funds (Valued at lower of cost and fair value) Unquoted, fully paid-up: Kotak Floater short term Fund Growth	10	31,988	31,988	389,457	389,457
TOTAL				389,457	389,457
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				389,457	389,457
Aggregate amount of Provision for diminution in the value of Investments				-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Current Year ₹	Previous Year ₹
9. TRADE RECEIVABLES		
Trade Receivables Outstanding for a Period Exceeding Six Months		
Secured, Considered Good	-	-
Unsecured : Considered Good	-	-
Considered Doubtful	-	-
	<u>-</u>	<u>-</u>
Less: Provision for Doubtful Debts	-	-
	<u>-</u>	<u>-</u>
Other Trade Receivables		
Secured, Considered Good	3,564,767	40,092
Considered Doubtful	-	-
	<u>3,564,767</u>	<u>40,092</u>
Less: Provision for Doubtful Debts	-	-
	<u>3,564,767</u>	<u>40,092</u>
TOTAL	<u><u>3,564,767</u></u>	<u><u>40,092</u></u>
10. CASH, BANK BALANCES AND CASH EQUIVALENTS		
Cash and Cash Equivalents		
1. Balances with Banks		
On Current Accounts	941,067	2,467,856
Other Bank Balances		
1. Deposits with more than 3 months but less than 12 months maturity	9,000,000	9,000,000
	<u>9,941,067</u>	<u>11,467,856</u>
TOTAL	<u><u>9,941,067</u></u>	<u><u>11,467,856</u></u>
11. OTHER CURRENT ASSETS		
Accrued Interest	769,620	2,034
TOTAL	<u><u>769,620</u></u>	<u><u>2,034</u></u>

Wadala Commodities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Current Year ₹	Previous Year ₹
12. REVENUE FROM OPERATIONS		
1. Sale of Products		
Finished Goods	-	-
Traded Goods	3,109,302	-
2. Rendering of Services	300,000	-
3. Other Operating Revenue		
Sale of Scrap	-	-
Others	-	-
Revenue from Operations (Gross)	<u>3,409,302</u>	-
Less : Excise Duty	325,425	-
Revenue from Operations (Net)	<u>3,083,877</u>	-
Details of Products Sold:		
Particulars		
1. Traded Goods (Net of Excise):		
Palm Fatty Acid	<u>2,783,877</u>	-
TOTAL	<u>2,783,877</u>	-
13. OTHER INCOME		
1. Interest Income		
On Bank Deposits	767,587	-
On Inter Corporate Deposit	-	797,808
On Income-tax Refund	124,952	-
2. Net Gain on Sale of Investments	-	128,938
3. Other Non-Operating Income		
Miscellaneous Non-operating Income	-	37,214
TOTAL	<u>892,539</u>	<u>963,960</u>
14. Purchase of Stock in Trade		
Traded Goods Purchased		
1. Palm Fatty Acid	<u>2,762,294</u>	-
TOTAL	<u>2,762,294</u>	-
15. EMPLOYEE BENEFITS EXPENSES		
1. Salaries and Wages	179,390	753,419
2. Contribution to Provident and Other Funds	4,331	51,971
3. Staff Welfare	-	19,500
Total	<u>183,721</u>	<u>824,890</u>
Less: Amount recovered from a company under same management for shared services	40,092	635,778
TOTAL	<u>143,629</u>	<u>189,112</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Current Year ₹	Previous Year ₹
16. OTHER EXPENSES		
Establishment Expenses	90,000	90,000
Directors' fees	11,000	12,000
Legal & Professional Fees	256,828	412,029
Payment to Auditor (Refer details below)	77,210	77,210
Advertisements	116,265	133,490
Travel, Conveyance & Petrol	8,573	30,416
Printing & Stationery	66,433	55,464
Postage & courier	71,844	54,073
Share Register Fees	71,994	141,930
Listing Fees	92,696	97,730
Miscellaneous Expenses	3,010	20,323
TOTAL	865,853	1,124,665
Payment to Auditor		
As Auditor:		
Audit Fees	30,000	30,000
Limited Review	30,000	30,000
In other capacity:		
Taxation Matters	-	-
Company Law Matters	-	-
Management Services	-	-
Certification of Compliance with Corporate Governance requirements as per clause 49 of the Listing Agreement	10,000	10,000
Reimbursement of Expenses	-	-
Total	70,000	70,000
Add: Service Tax	7,210	7,210
TOTAL	77,210	77,210
17. Finance Cost		
Bank Charges	1,218	3,203
TOTAL	1,218	3,203
18. EARNINGS PER SHARE		

	Current Year	Previous Year
Net Profit After Tax	203,422	(353,020)
Less: Preference Dividend @ 8%	3,600,000	3,600,000
Less: Dividend Tax	611,820	611,820
Net Profit for computation of Basic and Diluted Earnings Per Share (A)	(4,008,398)	(4,564,840)
Weighted Average Number of Equity Shares		
For calculating Basic and Diluted EPS (B)	21,626,238	21,626,238
Earnings Per Share		
Basic and Diluted (A)/(B)	(0.19)	(0.21)

Wadala Commodities Limited

19. Related Party Disclosures :

(i) List of Related Parties and their Relationships:

a) Holding Company.

– Godrej & Boyce Manufacturing Co. Ltd.

b) Fellow Subsidiaries

– Godrej Industries Ltd.

c) Persons exercising significant influence over the company :

– Mr. Chandrashekhar Shetty (w.e.f. May 01, 2011)

– Mr. R. P. Gopal (Upto April 30, 2011)

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

₹

Sr. No.	Nature of Transaction	Fellow Subsidiary Godrej Industries Ltd.	Key Management Personnel	Total
1	Expenses Reimbursed to other Company (shared service cost)	–	–	–
		<i>635,778</i>	–	<i>635,778</i>
2	Sale of goods (Net of Excise)	2,783,877	–	2,783,877
		–	–	–
3	Inter Corporate Deposit repaid	–	–	–
		<i>10,000,000</i>	–	<i>10,000,000</i>
4	Service Income	300,000	–	300,000
		–	–	–
5	Interest received on Inter Corporate Deposit Given	–	–	–
		<i>797,808</i>	–	<i>797,808</i>
6	Establishment Charges	45,000	–	45,000
		<i>45,000</i>	–	<i>45,000</i>
7	Reimbursement of Expenses	27,017	–	27,017
		–	–	–
8	Remuneration *	–	194,972	140,632
		–	<i>211,926</i>	<i>211,926</i>
9	Oustanding			
	a) Receivables	3,564,767	–	3,564,767
		<i>40,092</i>	–	<i>40,429</i>
	b) Payables	–	–	–
		–	–	–

Note: Figures in italics pertain to the Previous Year.

*Details of remuneration to Key Management Personnel

Name	Current Year	Previous Year
Mr. C.J. Shetty	140,632	–
Mr. R. P. Gopal	54,340	211,926
TOTAL	<u>194,972</u>	<u>211,926</u>

20. Sundry Creditors

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company.

21. Segment Reporting

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

22. Preference Dividend

Arrears of Preference Dividend as at the March 31, 2012 is ₹ 21,600,000 (Previous Year ₹ 18,000,000)

23. 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.

24. The Company neither has any Hedging Contracts nor does it have any unhedged foreign currency exposures during the current year and the previous year.

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

26. Expenditure in Foreign Currency

Interest ₹ NIL (Previous Year ₹ NIL)

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

Trading goods ₹ NIL (Previous Year ₹ NIL)

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

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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 _____

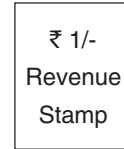
as my/our proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on Friday, August 24, 2012 at 2.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

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
28th 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 _____, 2012

Client ID No. _____ DP ID No. _____

I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company held on Friday, August 24, 2012 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

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Wadala Commodities Limited
L. M. Nadkarni Marg,
Near M.P.T. Hospital,
Wadala (East), Mumbai - 400 037.