

**TWENTY NINTH ANNUAL REPORT
2012 - 2013**

Wadala Commodities Limited

Wadala Commodities Limited

DIRECTORS	:	N.S. Nabar A.B. Choudhury Clement Pinto	<i>Chairman (Appointed w.e.f. March 15, 2013)</i> <i>(Appointed w.e.f. May 15, 2013)</i>
COMPANY SECRETARY	:	Pravin Patil	<i>(Appointed w.e.f. October 1, 2012)</i>
AUDITORS	:	Kalyaniwalla & Mistry	<i>Chartered Accountants</i>
BANKERS	:	Canara Bank IDBI Bank Ltd. HDFC Bank Ltd.	
REGISTERED OFFICE	:	107, Gold Arcade, 3/1 New Palasia, Opp. Curewell Hospital, Indore – 452001 (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 27th September, 2013 to update our records.

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NOTICE

Notice is hereby given that the 29th Annual General Meeting of Wadala Commodities Limited will be held on September 27, 2013 at 10.30 A.M. at Apna Avenue, Janjeerwala Chouraha, Narayan Kothi, New Palasia, Indore- 452001 (M.P.) to transact the following business.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Statement of Profit and Loss and Cash Flow Statement for the year ended on March 31, 2013, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report along with Management Discussion and Analysis Report and Report on Corporate Governance.
2. To declare dividend on Preference Shares.
3. To appoint a Director in place of Mr. A.B. Choudhury who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

SPECIAL BUSINESS:

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

RESOLVED THAT Mr. N.S. Nabar, who was appointed by the Board of Directors vide resolution passed on March 14, 2013 as an Additional Director with effect from March 15, 2013 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.

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

RESOLVED THAT Mr. Clement Pinto, who was appointed by the Board of Directors vide resolution passed on April 26, 2013 as an Additional Director with effect from May 15, 2013 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.

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

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act and approval of the Central Government, if any, approval of the Company be and is hereby accorded for the re- appointment of and terms of remuneration payable to, including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of appointment of Mr. Chandrashekar Shetty as a Manager of the Company for a period from May 1, 2014 to March 31, 2017 on the terms and conditions as contained in the agreement to be entered into between the Company and Mr. Chandrashekar Shetty, a copy of which is placed before this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment.

By Order of the Board of Directors

Place: Mumbai
Date: August 16, 2013
Registered Office:

Pravin Patil
Company Secretary

107, Gold Arcade, 3/1 New Palasia,
Opp. Curewell Hospital, Indore – 452001 (M.P.)

Wadala Commodities Limited

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 September 21, 2013 to September 27, 2013 (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.

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

Item No. 5

The Board of Directors of the Company vide their resolution dated March 14, 2013 had appointed Mr. N.S. Nabar, as Additional Director of the Company, with effect from March 15, 2013, to hold office till the date of next Annual General Meeting of the Company. It is proposed to appoint him as Director liable to retire by rotation.

Brief profile of Mr. N.S. Nabar in terms of the listing agreement is provided elsewhere in this Notice.

The Board recommends the passing of resolution as set out at item number 5 of this Notice. Mr. N.S. Nabar may be deemed to be interested in the resolution. None of the other Directors of the Company are concerned or interested in this resolution.

Item No. 6

The Board of Directors of the Company vide their resolution dated April 26, 2013 had appointed Mr. Clement Pinto, as Additional Director, with effect from May 15, 2013, to hold office till the date of next Annual General Meeting of the Company. It is proposed to appoint him as Director liable to retire by rotation.

Brief profile of Mr. Clement Pinto in terms of the listing agreement is provided elsewhere in this Notice.

The Board recommends the passing of the resolution as set out at item number 6 of this Notice. Mr. Clement Pinto may be deemed to be interested in the resolution. None of the other Directors of the Company are concerned or interested in this resolution.

Item No. 7

The tenure of Mr. Chandrashekhar Shetty will expire on April 30, 2014. It is proposed to reappoint him for a

period from May 1, 2014 to March 31, 2017. The proposed remuneration and terms and conditions of his appointment are given below:

Basic Salary : The Manager shall be entitled to a Basic Monthly Salary in the range of ₹ 36,000/- to ₹ 50,000/- p.m. The Basic Monthly Salary for the financial year 2013-14 is ₹ 30,920/-.

The Remuneration Committee/Board of Directors will determine the amount of salary payable to the Manager and the amount of increments payable every year depending on the performance of the Manager, profitability of the Company and other relevant factors.

Performance Bonus for Teams (PBFT) : PBFT according to the Scheme of the Company for each of the financial years as may be decided by the Remuneration Committee/Board of Directors of the Company.

Perquisites : Classified into four categories A, B, C and D as detailed below:

Category A:

1. Housing: The Company shall pay on monthly basis, House Rent Allowance upto ₹ 25,000/- p.m.
2. Medical Reimbursement: The Manager shall be entitled to a Medical Advance of ₹ 1,250/- p.m.
3. Conveyance: The Manager shall be entitled to a Conveyance of ₹ 800/- p.m.
4. Leave Travel Allowance: The Manager shall be entitled to a Leave Travel Allowance of ₹ 8,263/- p.m.

5. Education Allowance: The Manager shall be entitled to a Education Allowance of ₹ 1,500/- p.m.
6. Food Allowance: The Manager shall be entitled to a Food Allowance of ₹ 1,500/- p.m.

Category B:

1. Company's contributions towards Provident Fund, Superannuation Fund or Annuity Fund as per the Rules framed under the Company's relevant Scheme. These shall be subject to a ceiling of the amount upto which the said contributions are either singly or put together not taxable, under the Income Tax Act, 1961.
2. Gratuity payable in accordance with the Gratuity Scheme of the Company or in terms of the Payment of Gratuity Act, 1972. Such gratuity shall be payable according to the rules of the Company. If the Manager is re-appointed, gratuity will be paid at the end of his tenure with the Company.
3. Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company.

Category C:

Loans: Granting of loans according to Company's Scheme subject to Central Government's approval, if applicable.

Notes:

1. Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
2. Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Manager, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not

exceed, the maximum limits prescribed in Schedule XIII to the Companies Act, 1956 except with the approval of the Central Government.

3. The limits specified above are the maximum limits and the Remuneration Committee / Board may in its absolute discretion pay to Manager lower remuneration and revise the same from time to time within the maximum limits stipulated above.
4. In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.

The draft agreement to be entered into between the Company and Mr. Chandrashekar Shetty is available for inspection at the Registered Office of the Company from 10.00 A.M. to 12.00 Noon, Monday to Friday (except public holidays, Saturday and Sunday) upto the date of the Annual General Meeting.

The particulars given above constitute the abstract of the terms of the agreement which is required to be given to every member under the provisions of Section 302 of the Companies Act, 1956.

The Board of Directors of the Company recommend passing of the resolution as set out at Item no.7 of the Notice. None of the Directors of the Company are concerned or interested in the resolution.

By Order of the Board of Directors

Place: Mumbai
Date: August 16, 2013

Pravin Patil
Company Secretary

Registered Office:
107, Gold Arcade,
3/1 New Palasia, Opp. Curewell Hospital,
Indore – 452001 (M.P.)

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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. A. B. Choudhury	Mr. N. S. Nabar	Mr. Clement Pinto
Age	70	49	42
Nationality	Indian	Indian	Indian
Date of appointment on the Board	October 24, 2005	March 15, 2013	May 15, 2013
Shareholding in the company	Nil	Nil	Nil
Qualification/s	M.A., M.M.S.	B. Sc. (Tech.), Management Graduate	C.A., C.W.A
Expertise in specific functional area	Marketing, General Management and Real Estate	Sales, Marketing, Commodities, Exports, Imports and Purchase	Finance and Tax Systems
Directorships held in other companies	Godrej Industries Ltd. Godrej Properties Ltd. Godrej Agrovet Ltd. Godrej Waterside Properties Pvt. Ltd. Swadeshi Detergents Ltd. Vora Soaps Ltd.	Godrej Industries Ltd. Ensemble Holdings and Finance Ltd.	NIL
Chairmanships/ Memberships of committees in other companies	Member – Audit Committee Godrej Properties Ltd. Member – Investor Grievance Committee Godrej Properties Ltd. Member – Remuneration Committee Godrej Industries Ltd. Godrej Properties Ltd. Godrej Agrovet Ltd.	NIL	NIL
Relation with other Directors on the Board, if any	NIL	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, 2013.

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 31-03-2013 ₹ in '000	For the Year ended 31-03-2012 ₹ in '000
Income from Operations	33,388	3,084
Other Income	1,122	893
Total Income	34,510	3,977
Total Expenditure	32,135	3,773
Profit for the year before tax	2,375	203
Prior period Tax Adjustment	(560)	-
Profit after tax available for appropriation	1,815	203
Appropriations		
Proposed Preference Dividend	2	-
Dividend Tax	1	-
Balance brought forward from previous year	(55,778)	(55,981)
Surplus / (Deficit)	(53,966)	(55,778)

DIVIDEND

The Board of Directors of your Company recommend a final dividend of ₹ 2,503/- on 50,00,000, 0.01%, Redeemable Non-Cumulative Preference Shares of ₹ 10/- each (₹ 9/- called and paid up) for the year 2012-2013.

Since the profits of the Company are marginal, Board of Directors of your Company do not recommend payment of dividend on equity shares of the Company.

SHARE CAPITAL

During the year under consideration, the following terms and conditions of 50,00,000, 8%, 10 year Redeemable Cumulative Preference Shares were varied by the shareholders of the Company:

- (i) Waiver of arrears of preference dividend on 50,00,000, 8%, 10 year Redeemable Cumulative Preference Shares (hereinafter referred to as Preference Shares) till September 8, 2012;
- (ii) with effect from September 9, 2012, the following be applicable to the said Preference Shares:
 - (a) The period for redemption be extended by 10 years from the date of redemption; and
 - (b) 50,00,000, 8%, Redeemable Cumulative Preference Shares of ₹ 10/- each shall now be 50,00,000, 0.01%, Redeemable Non-Cumulative Preference Shares of ₹ 10/-each.

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 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 ₹ 333.88 lac. During the year, there was a profit after tax of ₹ 18.15 lac as against a profit of ₹ 2.03 lac in the previous year. The accumulated loss as on March 31, 2013 stood at ₹ 539.66 lac as compared to ₹ 557.78 lac as at March 31, 2012. The Company has no loan funds as at the end of the previous year.

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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 and Central Depository Services (India) Limited. As of March 31, 2013, 99.18 % 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 offers himself for reappointment. His brief profile is given with the Notice of the Annual General Meeting.

During the year under review Mr. N.S. Nabar and Mr. Clement Pinto were appointed as Additional Directors w.e.f. March 15, 2013 and May 15, 2013 respectively. Mr. N.S. Nabar was appointed as a Chairman of the Company w.e.f. May 1, 2013. Both, Mr. N.S. Nabar and Mr. Clement Pinto are being appointed as Directors liable to retire by rotation at the ensuing Annual General Meeting. Their brief profile is given with the Notice of the Annual General Meeting.

During the year under review, Mr. K.K. Dastur resigned from the Board of the Company w.e.f. August 23, 2012. Mr. M. Eipe, Director was made Chairman of the Company w.e.f. August 23, 2012. Mr. M. Eipe resigned from the Board of the Company w.e.f. April 30, 2013. Mr. Ravi Venkateswar was appointed as an Additional Director w.e.f. August 11, 2012. He ceased to be a Director of the Company post the last Annual General Meeting i.e. on August 24, 2012 and was appointed as an Additional Director w.e.f. September 13, 2012. He resigned from the Board of the Company w.e.f. May 31, 2013. Your Directors place on record their appreciation of the valuable contributions made by Mr. K.K. Dastur, Mr. M. Eipe and Mr. Ravi Venkateswar, during their tenure.

MANAGER

The terms of appointment and remuneration payable to Mr. Chandrashekar Shetty, Manager will be expiring on April 30, 2014 and it is proposed to re-appoint him with revised terms at the ensuing 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 [Firm Registration No. 104607W], 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, which was constituted pursuant to the provisions of Section 292A of the Companies Act, 1956 and the listing agreement, has reviewed the accounts for the year ended March 31, 2013.

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.

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: April 26, 2013

M. Eipe
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 year 2011. 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 31-03-2013 ₹ in '000	For the Year ended 31-03-2012 ₹ in '000
Income from Operations	33,388	3,084
Other Income	1,122	893
Total Income	34,510	3,977
Profit Before Tax	2,375	203
Provision for current Tax	(560)	-
Profit after Current & Deferred Taxation	1815	203
Profitability ratios are as follows :		
PBDIT/Sales	7.11%	6.60%
PBT/Sales	7.11%	6.60%
PAT/Sales	5.44%	6.60%
Basic EPS (Rs.)	0.08	-0.19

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, 2013 were 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 2013-14:

In the past your 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

Place: Mumbai
Date: April 26, 2013

M. Eipe
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 four Directors as on March 31, 2013, all of whom are non-executive 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 2012-13, 4 (four) Board Meetings were held on May 30, 2012; August 11, 2012; November 8, 2012 and February 6, 2013.

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 ¹	No. of Chairmanship/ membership in Board Committees in other companies as at year end ²	
		Held ³	Attended			As Chairman	As Member
Mr. K. K. Dastur ⁴	Non-Executive & Independent Director	2	2	N.A.	4(1)	2	-
Mr. M. Eipe ⁵	Non-Executive & Independent Director	4	3	No	3(1)	-	1
Mr. A.B. Choudhury	Non-Executive & Independent Director	4	4	No	5(2)	-	2
Mr. Ravi Venkateswar ⁶	Non-Executive & Independent Director	3	3	No	-	-	-
Mr. N.S. Nabar ⁷	Chairman & Non-Executive & Independent Director	N.A.	N.A.	N.A.	1(1)	-	-
Mr. Clement Pinto ⁸	Non-Executive & Independent Director	N.A.	N.A.	N.A.	-	-	-

1. Alternate Directorships and Directorships in private companies, foreign companies and associations are excluded. Figures in () denotes listed Companies.
2. 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.
3. Board Meetings held during the year represent the number of meetings held during the tenure of that Director.

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4. Mr. K.K. Dastur had resigned from the Board of Directors of the Company w.e.f. August 23, 2012.
5. Mr. M. Eipe had, in the meeting of the Board of Directors of the Company held on April 26, 2013, resigned from the Board of the Company w.e.f. April 30, 2013.
6. Mr. Ravi Venkateswar was appointed as an Additional Director w.e.f. August 11, 2012. He ceased to be a Director of the Company post the last Annual General Meeting i.e. on August 24, 2012. He was appointed as an Additional Director w.e.f. September 13, 2012 and has resigned from the Board of the Company w.e.f. May 31, 2013 at the meeting of the Board of Directors of the Company held on April 26, 2013.
7. Mr. N.S. Nabar was appointed as an Additional Director w.e.f. March 15, 2013 and Chairman of the Company w.e.f. May 1, 2013.
8. At the meeting of Board of Directors of the Company held on April 26, 2013, Mr. Clement Pinto was appointed as an Additional Director w.e.f. May 15, 2013 and as a Chairman of the Audit Committee w.e.f. June 1, 2013.

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 re-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, 2012, the Audit Committee comprised of Mr. K. K. Dastur - Chairman, Mr. M. Eipe – Member and Mr. A. B. Choudhury - Member.

As on March 31, 2013, the Audit Committee comprised

of Mr. M. Eipe - Chairman, Mr. A. B. Choudhury and Mr. Ravi Venkateswar. Upon resignation of Mr. M. Eipe, w.e.f. April 30, 2013, the Audit Committee will comprise of Mr. Ravi Venkateswar – Chairman, Mr. A.B. Choudhury – Member and Mr. N.S. Nabar – Member. Further, consequent upon resignation of Mr. Ravi Venkateswar w.e.f. May 31, 2013, the Audit Committee will comprise of Mr. Clement Pinto – Chairman, Mr. A.B. Choudhury – Member and Mr. N.S. Nabar – Member.

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 2012-13, 4 (four) Audit Committee Meetings were held on May 30, 2012; August 11, 2012; November 8, 2012 and February 6, 2013.

Table-2: Attendance record of audit committee members:

Director	No. of Meetings	
	Held *	Attended
Mr. K.K. Dastur, Chairman	2	2
Mr. M. Eipe	4	3
Mr. A.B. Choudhury	4	4
Mr. Ravi Venkateswar	3	3

* Audit Committee Meetings held during the year represent the number of meetings held during the tenure of that Director.

The terms of reference of the Audit Committee are in consonance with 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.
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

Wadala Commodities Limited

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, 2012, the Remuneration Committee comprised of Mr. K. K. Dastur - Chairman, Mr. M. Eipe - Member and Mr. A.B. Choudhury - Member.

As on March 31, 2013, the Remuneration Committee comprised of Mr. M. Eipe – Chairman, Mr. A.B. Choudhury and Mr. Ravi Venkateswar. Upon resignation of Mr. M. Eipe, w.e.f. April 30, 2013, the Remuneration Committee will comprise of Mr. A.B. Choudhury – Chairman, Mr. Ravi Venkateswar – Member and Mr. N.S. Nabar – Member. Further, consequent upon resignation of Mr. Ravi Venkateswar w.e.f. May 31, 2013, the Remuneration Committee will comprise of Mr. A.B. Choudhury – Chairman, Mr. Clement Pinto – Member and Mr. N.S. Nabar – 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 2012-13 the Remuneration Committee had approved the remuneration of Mr. Chandrashekhar 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 2012-13 are given below.

Table-3: Remuneration paid/payable to Directors for the Financial Year ended March 31, 2013:

Name of Director	Relationship with Directors	Sitting fees	Salary	Total
Mr. K. K. Dastur	None	2,000	-	2,000
Mr. M. Eipe	None	3,000	-	3,000
Mr. A.B. Choudhury	None	4,000	-	4,000
Mr. Ravi Venkateswar	None	3,000	-	3,000
Total		12,000	-	12,000

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, 2012 the Shareholders Committee comprised of Mr. M. Eipe – Chairman and Mr. A.B. Choudhury.

As on March 31, 2013, the Shareholders Committee comprised of Mr. M.Eipe – Chairman, Mr. Ravi Venkateswar and Mr. A.B. Choudhury. Upon resignation of Mr. M. Eipe, w.e.f. April 30, 2013, the Shareholders Committee will comprise of Mr. N.S. Nabar – Chairman, Mr. Ravi Venkateswar – Member and Mr. A.B. Choudhury – Member. Further, consequent upon resignation of Mr. Ravi Venkateswar w.e.f. May 31, 2013, the Shareholders Committee will comprise of Mr. N.S. Nabar – Chairman, Mr. Clement Pinto – Member and Mr. A.B. Choudhury – Member. During the year, 5 meetings of the Committee were held.

Name and designation of Compliance Officer: Mr. Pravin Patil, Company Secretary

Number of complaints regarding shares for the year ended March 31, 2013.

Table 4: Complaints received from shareholders:

Complaints outstanding as on April 1, 2012	0
Complaints received during the year ended March 31, 2013	1
Complaints resolved during the year ended March 31, 2013	1
Complaints outstanding as on March 31, 2013	0

There are no pending share transfers as on March 31, 2013.

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
2011-12	Registered Office : Plot No. 5, New Industrial Area No. 1, Mandideep, District Raisen, Bhopal 462 046.	24-08-2012	2.30 p.m.
2010-11	—do—	05-08-2011	2.30 p.m.
2009-10	—do—	13-08-2010	2.30 p.m.

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

28th AGM held on August 24th, 2012:

No Special Resolution

27th AGM held on August 5th, 2011:

Appointment of Mr. Chandrashekhar Shetty as Manager of the Company under section 269 of the Companies Act, 1956.

26th AGM held on August 13, 2010:

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
2012-13	No EGM held during the year	
2011-12	No EGM held during the year	
2010-11	No EGM held during the year	

d. Postal Ballot

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, a resolution was passed by shareholders by postal ballot. The Notice of postal ballot was mailed to all shareholders along with postage prepaid envelopes. Mr. Bharat Punchi, had been appointed as scrutinizer for the postal ballots, who submitted his reports to the then Chairman, Mr. M. Eipe. The details of the postal ballot are given below:-

A special resolution was passed for variation in certain terms and conditions of 50,00,000, 8%, 10 years Redeemable Cumulative Preference Shares of ₹ 10/- each of the Company, the result of which was declared on November 22, 2012.

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of Votes In favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)= [(2)/(1)]*100	(4)	(5)	(6)= [(4)/(2)]*100	(7)= [(5)/(2)]*100
Promoter and Promoter Group	11,046,635	11,046,635	100.00	11,046,635	-	100.00	-
Public - Institutional Holders	540,172	1,756	0.33	200	1,556	11.39	88.61
Public - Others	10,039,431	323,801	3.23	256,895	14,885	79.34	4.60
Total	21,626,238	11,372,192		11,303,730	16,441		

Procedure adopted for Postal Ballot

- (i) The Board at its meeting approves the items to be passed through postal ballot and authorizes one of the Directors and the Company Secretary to be responsible for the entire process of postal ballot.
- (ii) A person who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of postal ballot along with the ballot papers are sent to the shareholders along with a self addressed envelope addressed to the Scrutinizer.
- (iv) An advertisement is published in a National news paper about the dispatch of ballot papers and notice of postal ballot.
- (v) The duly completed postal ballot papers are received by the Scrutinizer.
- (vi) Scrutinizer gives his report to the Chairman. The Chairman announces the results.
- (vii) Results are intimated to the Stock Exchange and are uploaded on the Company's Website.

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, 2013, except Mr. M. Eipe, holding 100 equity shares, none of the Directors hold any equity share in the Company.

Wadala Commodities Limited

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.
- **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. A.B. Choudhury 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 BSE Ltd. and SEBI (where applicable) and are posted on the website of the Company. The Company's website address is www.wadalacommodities.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

A special resolution with respect to variation in certain terms and conditions of 50,00,000, 8%, 10 years Redeemable Cumulative Preference Shares of ₹ 10/- each of the Company 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, 2013 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: April 26, 2013

M. Eipe
Chairman

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date : September 27, 2013

Time : 10.30 A.M.

Venue : Apna Avenue
Janjeerwala Chouraha,
Narayan Kothi, New Palasia,
Indore – 452001 (M.P.)

Financial Calendar

Financial Year : April 1, 2012 to March 31, 2013.

For the year ended March 31, 2013 results were announced on

First Quarter August 11, 2012

Second Quarter November 8, 2012

Third Quarter February 6, 2013

Annual (Audited) April 26, 2013

Book Closure / Record Date

The Share Transfer Register will be closed from September 21, 2013 to September 27, 2013 (both days inclusive) for the purpose of Annual General Meeting.

Listing

The Company's equity shares are listed and traded on BSE 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, 0.01% Redeemable Cumulative Preference Shares of ₹. 10/- each, ₹. 9/- called and paid up, which are not listed on any Stock Exchange.

Stock Data

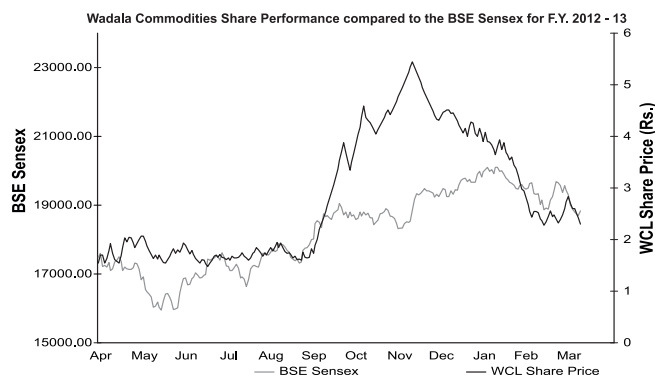
Table 1: Monthly high and low prices and trading volumes of the Company's shares at the BSE Limited for the year ended on March 31, 2013.

MONTH	HIGH (₹)	LOW (₹)	VOLUME (No.of Shares)
April 2012	2.12	1.46	79,417
May 2012	2.08	1.51	51,914
June 2012	1.93	1.47	35,713
July 2012	1.79	1.48	1,12,162
August 2012	1.95	1.65	1,20,484
September 2012	3.06	1.52	91,531
October 2012	4.79	3.18	6,34,084
November 2012	5.54	3.97	4,65,269
December 2012	5.24	4.25	1,79,882
January 2013	4.41	3.56	3,17,085
February 2013	3.87	2.26	1,78,650
March 2013	2.92	2.23	65,919

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 BSE Limited.

Wadala Commodities Limited Share Performance compared to BSE Sensex for FY 2012 -13



Wadala Commodities Limited

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, 2013

Table 2: Distribution of shareholding by size class as on March 31, 2013:

No. of shares	No. of shareholders	Shareholders %	No. of shares held	Shareholding %
1 – 500	5,897	67.94	1,367,858	6.32
501 – 1000	1,376	15.85	1,253,201	5.80
1001 – 2000	699	8.05	1,159,206	5.36
2001 – 3000	225	2.59	596,601	2.76
3001 – 4000	102	1.18	372,149	1.72
4001 – 5000	129	1.49	623,349	2.88
5001 – 10000	138	1.59	1,057,424	4.89
10001 & above	114	1.31	15,196,450	70.27
Total	8,680	100.00	21,626,238	100.00

Table 3: Distribution of shareholding by ownership as on March 31, 2013:

Category	No. of Shares Held	% of Shareholding
PROMOTERS HOLDING		
– Indian Promoters	1,10,46,635	51.08
– Foreign Promoters	0	0.00
– Persons acting in Concert	0	0.00
Sub-Total	1,10,46,635	51.08
NON-PROMOTERS HOLDING		
Institutional Investors		
– Mutual Funds & UTI	0	0.00
– Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	0	0.00
– Foreign Institutional Investors	0	0.00
Sub-Total	0	0.00
Others		
– Private Corporate Bodies	5,32,994	2.46
– Indian Public	97,17,759	44.94
– NRIs/OCBs	3,28,850	1.52
– Any other (please specify)	0	0.00
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, 2013, 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, 2013.

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
930	7,750	8,680	176,682	21,449,556	21,626,238

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

M. Eipe
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, 2013.

C.J. Shetty

Mumbai
April 8, 2013

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, 2013, 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 Annual General Meeting to answer shareholder queries [Clause 49 II(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

VINAYAK M. PADWAL
Partner
Membership No. F49639

Mumbai
April 26, 2013

Wadala Commodities Limited

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

WADALA COMMODITIES LIMITED

Report on Financial Statements

We have audited the attached financial statements of Wadala Commodities Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation, maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) Order (Amendment) Order 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2013, 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

VINAYAK M. PADWAL
Partner
Membership No. F49639

Mumbai
April 26, 2013

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF WADALA COMMODITIES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the Company has not entered into any contracts and arrangements during the year that needed to be entered into the register require to be maintained under section 301 of the Companies Act, 1956.
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, Customs 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 in the current financial year and in the immediate 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.

Mumbai
April 26, 2013

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W
VINAYAK M. PADWAL
Partner
Membership No. F49639

Wadala Commodities Limited

BALANCE SHEET AS AT MARCH 31, 2013

	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	(53,965,726)	(55,777,534)
		<u>12,660,512</u>	<u>10,848,704</u>
2. Current Liabilities			
(a) Trade Payables	4	1,773,228	3,381,499
(b) Other Current Liabilities	5	715,709	822,558
(c) Short-term Provisions	6	2,928	—
		<u>2,491,865</u>	<u>4,204,057</u>
TOTAL		<u><u>15,152,377</u></u>	<u><u>15,052,761</u></u>
II. ASSETS			
1. Non-Current Assets			
(a) Long-term Loans and Advances	7	293,681	387,850
		<u>293,681</u>	<u>387,850</u>
2. Current Assets			
(a) Current Investments	8	389,457	389,457
(b) Trade Receivables	9	1,738,554	3,564,767
(c) Cash, Bank Balances and Cash Equivalents	10	11,822,930	9,941,067
(d) Other Current Assets	11	907,755	769,620
		<u>14,858,696</u>	<u>14,664,911</u>
TOTAL		<u><u>15,152,377</u></u>	<u><u>15,052,761</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

VINAYAK M. PADWAL
Partner
Mumbai, 26th April, 2013

P. N. PATIL
Company Secretary

M. EIPE
Chairman

N.S. NABAR
Director

RAVI VENKATESWAR
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	Current Year ₹	Previous Year ₹
I Revenue from Operations			
Revenue from Operations (Gross)	12	37,007,088	3,409,302
Less : Excise Duty		3,619,468	325,425
		<u>33,387,620</u>	<u>3,083,877</u>
II Other Income	13	<u>1,121,977</u>	<u>892,539</u>
III Total Revenue (I + II)		<u>34,509,597</u>	<u>3,976,416</u>
IV Expenses			
Purchases of Stock in Trade	14	30,782,397	2,762,294
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		—	—
Employee Benefits Expenses	15	208,131	143,629
Other Expenses	16	1,144,333	867,071
Finance Costs		—	—
Total Expenses		<u>32,134,861</u>	<u>3,772,994</u>
V Profit Before Exceptional Item and Tax (III-IV)		<u>2,374,736</u>	<u>203,422</u>
VI Exceptional Items		—	—
VII Profit Before Tax (V+VI)		<u>2,374,736</u>	<u>203,422</u>
VIII Tax Expense			
(a) Current Tax		560,000	38,762
(b) MAT Credit Utilised / (Availed)		—	(38,762)
		<u>560,000</u>	<u>—</u>
IX Profit for the Year (VII-VIII)		<u>1,814,736</u>	<u>203,422</u>
X Earnings per Equity Share	17		
– Basic		0.08	(0.19)
– Diluted		0.08	(0.19)
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

VINAYAK M. PADWAL
Partner
Mumbai, 26th April, 2013

P. N. PATIL
Company Secretary

M. EIPE
Chairman

N.S. NABAR
Director

RAVI VENKATESWAR
Director

Wadala Commodities Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Current Year ₹	Previous Year ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Tax:	2,374,736	203,422
Adjustment for:		
Interest Income	<u>(911,984)</u>	<u>(767,586)</u>
Operating Cash Flows Before Working Capital Changes	1,462,752	(564,164)
Adjustments for:		
(Increase)/ Decrease in Trade Receivables	1,826,213	(3,524,675)
(Increase)/ Decrease in Long Term Loans and Advances	-	(21,789)
(Increase)/ Decrease in Other Current Assets	2,034	-
Increase/ (Decrease) in Trade Payables	(1,608,271)	3,381,499
Increase/ (Decrease) in Other Current Liabilities	(106,849)	(208,765)
Increase/ (Decrease) in Short Term Provisions	<u>-</u>	<u>(588,894)</u>
	113,127	(962,624)
Cash Generated/ (Utilised) from Operations	1,575,879	(1,526,788)
Adjustment for:		
Direct Taxes Paid	<u>(465,831)</u>	<u>-</u>
Net Cash Flow from Operating Activities Before Exceptional Item	1,110,048	(1,526,788)
Net Cash Flow from Operating Activities After Exceptional Item (A)	1,110,048	(1,526,788)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	771,815	-
Net Cash Flow From Investing Activities (B)	771,815	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Flow From Financing Activities (C)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D)=(A)+(B)+(C)	1,881,863	(1,526,788)
Net Cash and cash equivalents as at the beginning of the year (Opening Balance)	9,941,067	11,467,856
Net Cash and cash equivalents as at the end of the year (Closing Balance)	11,822,930	9,941,067
Cash, Cash Equivalents and Other Bank Balances as per Balance Sheet:		
Balances with banks		
On Current Account	2,236,088	941,067
Cash on hand	-	-
Other Bank Balances		
Deposits with more than 3 months but less than 12 months maturity	<u>9,586,842</u>	<u>9,000,000</u>
Cash, cash equivalents and Other Bank Balances as per Balance Sheet	11,822,930	9,941,067

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

For and on behalf of the Board

VINAYAK M. PADWAL
Partner
Mumbai, 26th April, 2013

P. N. PATIL
Company Secretary

M. EIPE
Chairman

N.S. NABAR
Director

RAVI VENKATESWAR
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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.

The Ministry of Corporate Affairs revised Schedule VI to the Act for financial years commencing on or after April 01, 2011. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the comparative financial information for the previous period have accordingly been prepared and presented with disclosures as required under the Revised Schedule VI.

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.

iv. Contractual Income is recognised as per the terms of the contract.

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.

Wadala Commodities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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.

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. Accounting for Taxes on Income:

Tax expense for the year comprises of current tax and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Deferred Tax Assets and Liabilities are measured using tax rates and tax laws that have been enacted / substantively enacted as on the balance sheet date. Provision for deferred tax is made for all temporary timing difference arising between the taxable income and accounting income at currently enacted tax rates. Deferred tax assets, other than un-absorbed tax losses and tax depreciation, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on un-absorbed tax losses and tax depreciation, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Assets/Liabilities are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Credit Available in respect of MAT under the Income Tax Act, 1961, the said asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	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 0.01% Redeemable Non-Cumulative Preference Shares of ₹ 10/- each	50,000,000	-
(c) 5,000,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	-	50,000,000
(d) 10,000,000 Unclassified Shares of ₹10/- each	100,000,000	100,000,000
Total Authorised Share Capital	500,000,000	500,000,000
2 Issued and Subscribed Share Capital		
(a) 21,626,238 Equity Shares of ₹ 1/- each	21,626,238	21,626,238
(b) 5,000,000 0.01% Redeemable Non-Cumulative Preference Shares of ₹ 10/- each	50,000,000	-
(c) 5,000,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	-	50,000,000
(d) Nil Unclassified Shares of ₹ 10/- each	-	-
	71,626,238	50,000,000
3 Called and Paid Up Share Capital		
(a) 21,626,238 Equity Shares of ₹ 1/- each	21,626,238	21,626,238
(b) 5,000,000 0.01% Redeemable Non-Cumulative Preference Shares of ₹ 10/- each (₹ 9/- called & paid up)	45,000,000	-
(c) 5,000,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each (₹ 9/- called & paid up)	-	45,000,000
Total Called and Paid Up Share Capital	66,626,238	66,626,238

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

On September 07, 2002; the Company had allotted Preference Share Capital comprising of 5,000,000 - 8% Redeemable Cumulative Preference Shares of ₹. 10/- each (₹.9/- each called and paid up); redeemable after 10 years. The said shares were allotted to Godrej Industries Ltd, a fellow subsidiary company of Wadala Commodities Ltd which is its only Preference Shareholder and were redeemable on September 08, 2012.

The Board of Directors, with the consent of the preference and equity shareholders, passed a resolution in the Board Meeting dated September 13, 2012 approving the following variations in the terms of the Preference Share Capital:

- (i) Waiver of arrears of preference dividend on 5,000,000, 8% 10 Year Redeemable Cumulative Preference Shares till September 09, 2012.
- (ii) The period of redemption of the said preference shares to be extended by 10 years from the current date of redemption. Accordingly, the preference shares are now due for redemption on September 09, 2022.

Wadala Commodities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(iii) The 5,000,000 - 8%, Redeemable Cumulative Preference Shares of ₹. 10 each shall now be 5,000,000 - 0.01% Redeemable Non-Cumulative Preference Shares of ₹. 10 each.

(iv) Save as mentioned above, all other terms and conditions of the said Preference Shares shall remain same.

As per the terms of restructuring of the Preference Share Capital, the arrears of cumulative preference dividend computed on a pro-rata basis upto September 09, 2012, amounting to ₹ 23,197,808/-, has been waived.

The Preference Shares rank above the claims of ordinary shareholders in the event of a winding up.

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 Number	Previous Year Number
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:

i) The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash; or

ii) Allotted as fully paid up bonus shares: or

iii) 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**3. RESERVES AND SURPLUS**

	Current Year ₹	Previous Year ₹
SURPLUS		
Balance as per last financial statements	(55,777,534)	(55,980,956)
Add: Profit/ (-) Loss for the Year	1,814,736	203,422
Less: Proposed Dividends	2,503	-
Less: Tax on Distributed Profit	425	-
Closing Balance	(53,965,726)	(55,777,534)
TOTAL	<u>(53,965,726)</u>	<u>(55,777,534)</u>

4. TRADE PAYABLES

1. Due to Micro, Small and Medium Enterprises	-	-
2. Others	1,773,228	3,381,499
TOTAL	<u>1,773,228</u>	<u>3,381,499</u>

5. OTHER CURRENT LIABILITIES

1. Taxes, Duties and Other Levies Payable	43,193	43,018
2. Other Payables	148,746	255,630
3. Unclaimed Buyback shares	523,770	523,910
TOTAL	<u>715,709</u>	<u>822,558</u>

6. SHORT TERM PROVISIONS

1. Proposed Preference Dividend	2,503	-
2. Provision for Tax on Distributed Profit	425	-
TOTAL	<u>2,928</u>	<u>-</u>

7. LONG TERM LOANS AND ADVANCES**UNSECURED, CONSIDERED GOOD**

1. Security Deposits	25,000	25,000
2. Other Loans and Advances		
a) Advance Tax & TDS (Net of Provision for Tax ₹ 560,000/-, previous year ₹ NIL)	229,919	324,088
b) MAT Credit Entitlement	38,762	38,762
TOTAL	<u>293,681</u>	<u>387,850</u>

Wadala Commodities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

8. CURRENT INVESTMENTS

	Numbers		Amounts	
	Current Year	Previous Year	Current Year	Previous Year
Investments in Mutual Funds <i>(Valued at lower of cost and fair value)</i> <i>Unquoted, fully paid-up:</i> Kotak Floater short term Fund Growth* [* The Face Value of the Mutual Fund Units of Kotak Floater Short Term Growth Fund as on March 31, 2012 amounted to ₹. 10 per unit for 31,988 units invested by the Company. The Face Value was increased by the Mutual Fund on January 18, 2013 to ₹. 100 per unit and the unit balance as on March 31, 2013 amounts to 319.88 units]	319.88	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			—	—

	Current Year	Previous Year
	₹	₹

9. TRADE RECEIVABLES

Trade Receivables Outstanding for a Period Exceeding Six Months

Secured, Considered Good	—	—
Unsecured : Considered Good	—	—
Considered Doubtful	—	—
Less: Provision for Doubtful Debts	—	—
Other Trade Receivables		
Secured, Considered Good	1,738,554	3,564,767
Considered Doubtful	—	—
	1,738,554	3,564,767
Less: Provision for Doubtful Debts	—	—
	1,738,554	3,564,767
TOTAL	1,738,554	3,564,767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Current Year ₹	Previous Year ₹
10. CASH, BANK BALANCES AND CASH EQUIVALENTS		
Cash and Cash Equivalents		
1. Balances with Banks		
On Current Accounts	2,236,088	941,067
	<u>2,236,088</u>	<u>941,067</u>
Other Bank Balances		
1. Deposits with more than 3 months but less than 12 months maturity	9,586,842	9,000,000
	<u>9,586,842</u>	<u>9,000,000</u>
TOTAL	<u>11,822,930</u>	<u>9,941,067</u>
11. OTHER CURRENT ASSETS		
Accrued Interest	907,755	769,620
TOTAL	<u>907,755</u>	<u>769,620</u>
12. REVENUE FROM OPERATIONS		
1. Sale of Products		
Traded Goods	34,607,088	3,109,302
2. Rendering of Services	2,400,000	300,000
Revenue from Operations (Gross)	37,007,088	3,409,302
Less : Excise Duty	3,619,468	325,425
Revenue from Operations (Net)	<u>33,387,620</u>	<u>3,083,877</u>
Details of Products Sold:		
Particulars		
1. Traded Goods (Net of Excise):		
Palm Fatty Acid Distillate	30,987,620	2,783,877
TOTAL	<u>30,987,620</u>	<u>2,783,877</u>
13. OTHER INCOME		
1. Interest Income		
On Bank Deposits	911,984	767,587
On Income-tax Refund	-	124,952
2. Other Non-Operating Income		
Miscellaneous Non-operating Income	209,993	-
TOTAL	<u>1,121,977</u>	<u>892,539</u>
14. PURCHASE OF STOCK-IN-TRADE		
1. Palm Fatty Acid Distillate	30,782,397	2,762,294
TOTAL	<u>30,782,397</u>	<u>2,762,294</u>

Wadala Commodities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Current Year ₹	Previous Year ₹
15. EMPLOYEE BENEFITS EXPENSES		
1. Salaries and Wages	208,131	179,390
2. Contribution to Provident and Other Funds	–	4,331
3. Staff Welfare	–	–
Total	<u>208,131</u>	<u>183,721</u>
Less: Amount recovered from a company under same management for shared services	–	40,092
TOTAL	<u><u>208,131</u></u>	<u><u>143,629</u></u>
16. OTHER EXPENSES		
Establishment Expenses	95,562	90,000
Directors' fees	11,989	11,000
Legal & Professional Fees	410,828	256,828
Payment to Auditor (Refer details below)	78,652	77,210
Advertisements	159,360	116,265
Travel, Conveyance & Petrol	1,157	8,573
Printing & Stationery	91,785	66,433
Postage & courier	100,351	71,844
Share Register Fees	71,282	71,994
Listing Fees	91,309	92,696
Miscellaneous Expenses	32,058	4,228
TOTAL	<u><u>1,144,333</u></u>	<u><u>867,071</u></u>
Payment to Auditor		
As Auditor:		
Audit Fees	30,000	30,000
Limited Review	30,000	30,000
In other capacity:		
Certification of Compliance with Corporate Governance requirements as per clause 49 of the Listing Agreement	10,000	10,000
Reimbursement of Expenses	–	–
Total	<u>70,000</u>	<u>70,000</u>
Add: Service Tax	8,652	7,210
TOTAL	<u><u>78,652</u></u>	<u><u>77,210</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Current Year ₹	Previous Year ₹
17. EARNINGS PER SHARE		
Net Profit After Tax	1,814,736	203,422
Less: Preference Dividend [Current Year 0.01%, Previous Year 8%]	2,503	3,600,000
Less: Dividend Tax	425	611,820
Net Profit for computation of Basic and Diluted Earnings Per Share	(A) 1,811,808	(4,008,398)
Weighted Average Number of Equity Shares		
For calculating Basic and Diluted EPS	(B) 21,626,238	21,626,238
Earnings Per Share		
Basic	(A)/(B) 0.08	(0.19)
Diluted	0.08	(0.19)

18. 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 (Manager with effect from May 01, 2011)
 - Mr. P. Patil
 - Mr. R. P. Gopal (Manager 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	Sale of goods (Net of Excise)	30,987,620		30,987,620
		<i>2,783,877</i>		<i>2,783,877</i>
2	Service Income	2,400,000		2,400,000
		<i>3,00,000</i>		<i>3,00,000</i>
3	Establishment Charges	50,562		50,562
		<i>45,000</i>		<i>45,000</i>
4	Reimbursement of Expenses	536,914		536,914
		<i>27,017</i>		<i>27,017</i>
5	Remuneration *	–	208,131	208,131
		–	<i>194,972</i>	<i>194,972</i>
6	Oustanding –			
a)	Receivables	1,738,554		1,738,554
		<i>3,564,767</i>		<i>3,564,767</i>
b)	Payables	–	–	–
		–	–	–

Note: Figures in italics pertain to the Previous Year.

Wadala Commodities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

*Details of remuneration to Key Management Personnel

Name	Current Year	Previous Year
Mr. C.J. Shetty	204,214	140,632
Mr. R. P. Gopal	3,917	54,340
TOTAL	208,131	194,972

19. Trade Payables

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.

20. 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.

21. The Company neither has any Hedging Contracts nor does it have any unhedged foreign currency exposures during the current year and the previous year.
22. Trade Receivables, Loans and advances and Trade Payables are subject to confirmation / reconciliation and consequential adjustment, if any.
23. Expenditure in Foreign Currency
₹ NIL (Previous Year ₹ NIL)
24. Value of Imports on CIF Basis (includes only Imports directly made)
Trading goods ₹ NIL (Previous Year ₹ NIL)
25. Previous Year’s figures have been regrouped, wherever necessary.

Wadala Commodities Limited

Regd. Office : 107, Gold Arcade, 3/1 New Palasia, Opp. Curewell Hospital, Indore – 452001 (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 _____

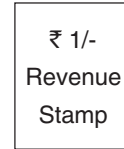
as my/our proxy to vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company to be held on Friday, September 27, 2013 at 10.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

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 107, Gold Arcade, 3/1 New Palasia, Opp. Curewell Hospital, Indore – 452001 (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 : 107, Gold Arcade, 3/1 New Palasia, Opp. Curewell Hospital, Indore – 452001 (M.P.)

**ATTENDANCE SLIP FOR
29th 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 _____, 2013

Client ID No. _____ DP ID No. _____

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company held on Friday, September 27, 2013 at Apna Avenue, Janjeerwala Chouraha, Narayan Kothi, New Palasia, Indore – 452001 M.P. at 10.30 a.m.

SIGNATURE OF THE SHAREHOLDER OR PROXY

Tear Here

BOOK POST

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