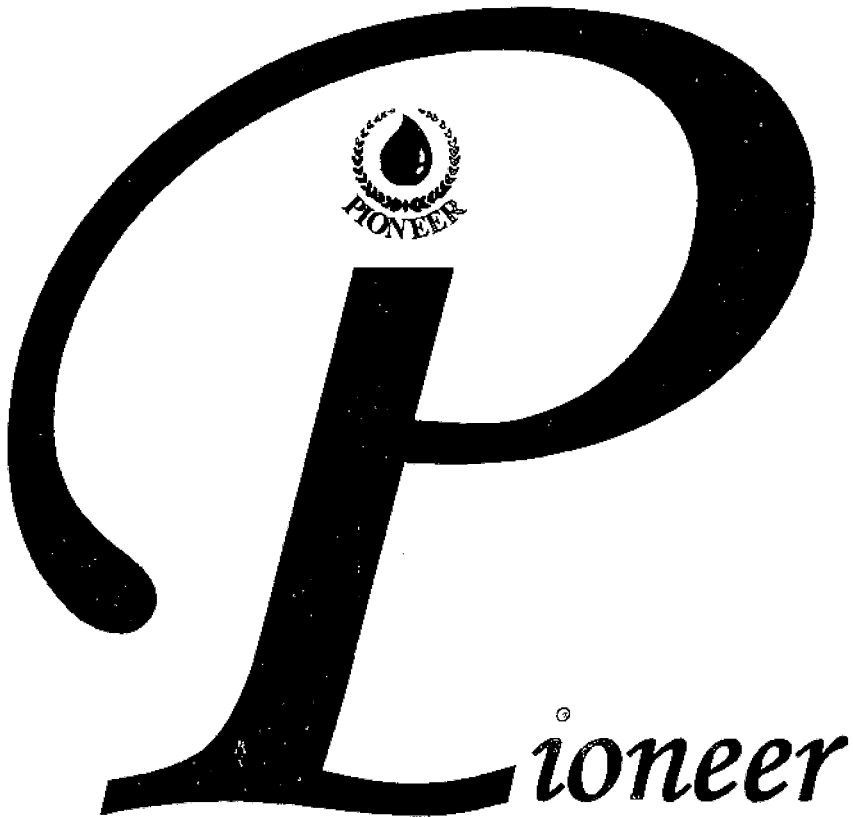


16th

**ANNUAL REPORT
2007-2008**



Agro Extracts Limited



16TH ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

MR. JAGAT MOHAN AGGARWAL	CHAIRMAN-CUM-MANAGING DIRECTOR
MR. AJAY KUMAR GOEL	JOINT MANAGING DIRECTOR
MR. BHARAT BHUSHAN AGGARWAL	EXECUTIVE DIRECTOR (WORKS)
MR. A.K. ARORA	DIRECTOR
MR. SAMEER AGGARWAL	DIRECTOR
MR. VIPAN AGGARWAL	DIRECTOR
MR. BALDEV KASHTWAL	DIRECTOR
MR. ANUJ BANSAL	DIRECTOR

AUDITORS

M/S ANIL VASUDEVA & CO.
Chartered Accountants

BANKERS

The Jammu & Kashmir Bank Limited

REGISTERED OFFICE

Chhoti Nehar, Malakpur 145 025
Pathankot (Punjab)

WORKS

V&PO Tharial,
Defence Road, Madhopur
Pathankot (Punjab)



PIONEER AGRO EXTRACTS LIMITED

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Pioneer Agro Extracts Limited will be held on 24th day, September, 2008 at 10.00 AM at the Registered Office of the Company at Chhoti Nehar, Malakpur 145 025 (Pathankot), Punjab to transact the following businesses-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2008 and the Profit & Loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Anuj Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vipin Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution-

Resolved that M/s Anil Vasudeva & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration and out of pocket expenses as may be fixed by the Managing Director of the Company.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution -

Resolved that pursuant to the Article 109 of the Articles of Association of the Company and provisions of Section 255 and 257 and other applicable provisions, if any, of the Companies Act 1956 Mr. Baldev Kashtwal, Additional Director, be and is hereby appointed as a Non-executive Independent Professional Director of the Company liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution -

Resolved that subject to the provisions of Section 198, 269, 309, 314 and 316 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Jagat Mohan Aggarwal, who fulfills the conditions specified in Part I and Part II of the Schedule XIII of the companies Act, 1956 be and is hereby reappointed as Managing Director of the Company for a period of five years with effect from 3rd March, 2008 at a remuneration as may be set out in the explanatory statement.



Further resolved that in the event of loss or inadequacy of profit in any financial year of the Company during the term of Sh. Jagat Mohan Aggarwal as Managing Director the remuneration set out in above be paid or granted to Mr. Jagat Mohan Aggarwal as minimum remuneration, provided that the total remuneration by way of salary, perquisites and other allowances and any increase in remuneration during the tenure shall not exceed the ceiling provided in Schedule XIII and any other applicable provisions of the Companies Act, 1956.

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution-

Resolved that subject to the provisions of Section 198, 269, 309, 314 and 316 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Ajay Goel, who fulfills the conditions specified in Part I and Part II of the Schedule XIII of the companies Act, 1956 be and is hereby reappointed as Joint Managing Director of the Company for a period of five years with effect from 3rd March, 2008 at a remuneration as may be set out in the explanatory statement.

Further resolved that in the event of loss or inadequacy of profit in any financial year of the Company during the term of Mr. Ajay Goel as Joint Managing Director the remuneration set out in above be paid or granted to Mr. Ajay Goel as minimum remuneration, provided that the total remuneration by way of salary, perquisites and other allowances and any increase in remuneration during the tenure shall not exceed the ceiling provided in Schedule XIII and any other applicable provisions of the Companies Act, 1956.

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution-

Resolved that subject to the provisions of Section 198, 269, 309, 314 and 316 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. A.K. Arora, who fulfills the conditions specified in Part I and Part II of the Schedule XIII of the companies Act, 1956 be and is hereby appointed as Executive Director (Works) of the Company for a period of five years with effect from 3rd March, 2008 at a remuneration as may be set out in the explanatory statement.

Further resolved that in the event of loss or inadequacy of profit in any financial year of the Company during the term of Mr. A.K. Arora as Executive Director (Works) the remuneration set out in above be paid or granted to Mr. A.K. Arora as *minimum remuneration*, provided that the total remuneration by way of salary, perquisites and other allowances and any increase in remuneration during the tenure shall not exceed the ceiling provided in Schedule XIII and any other applicable provisions of the Companies Act, 1956.

9. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution -

Resolved that the Board of the Directors of the Company be and is hereby authorized to execute any plans in future with considering GHGs emission reduction mechanism to promote Environmental, Socio and Economic Development.

Further resolved that the Board of Directors of the Company be and is hereby authorized to determine the size of the project(s) with respect to the capacity and the cost and to own, take on lease or enter into any other arrangement for the purpose of the land at such place(s) as they think most suitable for the project(s) and to take such steps as are necessary to register the project(s) with the CDM Executive Board and to avail the benefits of CERs and/or VERs trading.



10. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution-

Resolved that pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby empowered to borrow any sum of money from time to time from one or more of the Company's Bankers and/or from any one or more persons, firms, bodies corporates or financial institutions, Central or State Government whether by way of cash credit advances or deposits, bills discounting or issue of debentures including bonds and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's Assets and properties whether movable or immovable or stock in trade (including raw material, stores, spares, parts and components in stock or in transit) and work in progress and all or any of undertakings of the Company not withstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid up share capital and its free reserves that is to say the reserves not set apart for any specific purpose but so however that the total amount up to which the money can be borrowed by Board of Directors shall not exceed the sum of Rs. 300 Crores (Rs. Hundred Crore Only) exclusive of interest and the Board of Directors be and is further authorized to execute such deeds or debentures and debenture notes, deposits, receipts and other deeds and instruments containing such conditions and covenants as the Director may think fit.

Resolved further that the consent of the Company be and is hereby accorded under section 293(1)(a) of the Companies Act, 1956 to the Board of Directors of the Company for mortgage/charging of all the immovable or movable properties of the Company wherever situated present and future and the whole of the undertakings of the Company in favour of the financial institutions, lenders and/or banker to secure term loan and working capital assistance together with interest, cost and other charges obtained or to be obtained by the Company.

Resolved further that the mortgage, charge or hypothecation created and/or all agreements, documents executed or to be executed and all acts done in terms of above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified.

For and on behalf of the Board

Place : Pathankot
Dated : 30.06.2008

Jagat Mohan Aggarwal
Chairman-cum-Managing Director



NOTE :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member of the Company.
2. The proxy form duly completed and signed should be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the Annual General Meeting.
3. The Equity Shares of your Company are admitted in the Depository System and are available for trading in Depository system of both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN No. allotted to the Company is INE 062E01014.
4. The Register of members and Share Transfer Books of the Company will remain closed from 22nd day of September, 2008 to 24th day of September, 2008 (both days inclusive) for the purpose of Annual General Meeting.
5. Pursuant to amendments in Section 109A and 109B of the Companies Act, 1956, Shareholders can avail nomination facility in respect of their shareholding by using Form 2B of the Companies (Central Government) General Rules & Forms, 1956
6. Members who hold the shares in physical form are requested to notify to the Company, if any, change in their address.
7. Members are requested to bring their copy of the Annual Report to the Meeting.
8. Members who hold shares in dematerialised form are requested to bring their details of Client ID and DP ID for easy reference
9. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
10. Members having multiple folios are requested to intimate to the Company for consolidation of all folios into one folio.
11. For any specific query on the accounts of the Company please write to the Company at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Mr. Baldev Kashtwal was appointed as Additional Director as per the provisions of Section 260 of the Companies Act, 1956 during the year and is liable to retire at the ensuing Annual General Meeting. The Company has received a notice along with a deposit of Rs. 500/- from a Shareholder proposing his appointment under the provisions of Section 257 of the Companies Act, 1956 as candidate for Non-executive independent professional Director.

The Board recommends his appointment as Director liable to retire by rotation and also the resolution as an Ordinary Resolution.

None of the Director except Mr. Baldev Kashtwal is interested in the proposed resolution.

Item No. 6

Mr. Jagat Mohan Aggarwal is the Commerce Graduate. He has more than 23 years of industrial experience. He has been the Managing Director of the Company for the last 15 years. The Board of Directors of the Company at their meeting held on 1st March, 2008 have reappointed him the Managing Director of the Company for another five years period subject to the approval of the shareholders in the General Meeting. At present he is receiving the remuneration by way of salary, perquisites, other allowances etc of Rs. 20,000/- P.M. and this amount shall be paid to him as minimum remuneration during the proposed reappointment. Any increase in remuneration during his tenure shall be decided by the remuneration committee within the limit of Part II of the Schedule XIII. His terms of reappointment shall be pursuant to the provisions of Section 269 of the Companies Act read together with Schedule XIII.

Mr. Jagat Mohan Aggarwal is also the Managing Director of another Public Limited Company i.e Pioneer Industries Limited.

The Board recommends the passing of the resolution as a special resolution

None of the Director except Mr. Jagat Mohan Aggarwal is interested in the proposed resolution. Mr. Jagat Mohan Aggarwal is interested or concerned in the resolution to the extent of the remuneration payable to him

Item No. 7

Mr. Ajay Goel is the Post Graduate in commerce. He has more than 30 years of industrial experience. He has been the Joint Managing Director of the Company for the last 15 years. The Board of Directors of the Company at their meeting held on 1st March, 2008 have reappointed him the Joint Managing Director of the Company for another five years period subject to the approval of the shareholders in the General Meeting. At present he is receiving the remuneration by way of salary, perquisites, other allowances etc of Rs. 8,000/- P.M. and this amount shall be paid to him as minimum remuneration during the proposed reappointment. Any increase in remuneration during his tenure shall be decided by the remuneration committee within the limit of Part II of the Schedule XIII. His terms of



reappointment shall be pursuant to the provisions of Section 269 of the Companies Act read together with Schedule XIII.

Mr. Ajay Goel is also the Joint Managing Director of another Public Limited Company i.e. Pioneer Industries Limited.

The Board recommends the passing of the resolution as a special resolution

None of the Director except Mr. Ajay Goel is interested in the proposed resolution. Mr. Ajay Goel is interested or concerned in the resolution to the extent of the remuneration payable to him.

Item No. 8

Mr. A.K. Arora is the graduate in science. He has more than 40 years of technical experience in oil industry. The Board of Directors of the Company at their meeting held on 1st March, 2008 have appointed him the Executive Director (Works) of the Company for five years period subject to the approval of the shareholders in the General Meeting. At present he is receiving the remuneration by way of salary, perquisites and allowances of Rs. 11,670/- P.M and this amount shall be paid to him as minimum remuneration during the proposed appointment. Any increase in remuneration during his tenure shall be decided by the remuneration committee within the limit of Part II of the Schedule XIII. His terms of reappointment shall be pursuant to the provisions of Section 269 of the Companies Act read together with Schedule XIII.

The appointment shall be terminable by the Company by giving one month notice or on payment of one month salary. Further Mr. A.K. Arora shall also require to give one month notice to the Company of his resignation.

Mr. A.K. Arora is the director in the category who are liable to retire by rotation as per provisions of the Section 255 of the Companies Act, 1956

The Board recommends the passing of the resolution as a special resolution

None of the Director except Mr. A.K. Arora is interested in the proposed resolution. Mr. A.K. Arora is interested or concerned in the resolution to the extent of the remuneration payable to him.

Item No. 9

The **Clean Development Mechanism (CDM)** is an arrangement under the Kyoto Protocol allowing industrialised countries with a greenhouse gas reduction commitment to invest in projects that reduce emissions in developing countries as an alternative to more expensive emission reductions in their own countries. A crucial feature of an approved CDM carbon project is that it has established that the planned reductions would not occur without the additional incentive provided by emission reductions credits, a concept known as "additionality".



In the Board Meeting held on 16.04.2008, the directors discussed the various projects leads towards GHGs emission reduction also eligible under CDM category and directed the Top Management of the Company to submit any plans in future after considering the environmental well being as well as the techno economic viability of the Projects. Depending upon the techno economic viability study, the Board may give its decision to pursue one or more Environment friendly projects.

The Board recommends the passing of the resolution as an ordinary resolution

No Director is personally interested or concerned in the resolution.

Item No. 10

The Company has the plans to set up the CDM Project(s). The Board of Directors of the Company, in their Board Meeting held on 16.04.2008 discussed a number of CDM projects. The Board also decided to take the decision depending upon the techno viability study carried on by the Top Management. But no final decision in this regard has been taken as yet. Once the decision on the same would be taken, the Company would have required to borrow huge sum of money to fund the cost of the Project. Keeping this in view the Board of Directors in its meeting held on 16.04.2008 has recommended the increase in Borrowing Power of the Company to Rs. 300 crore.

None of the Director is personally interested or concerned in the said resolution.

For and on behalf of the Board

Place : Pathankot

Dated : 30.06.2008

Jagat Mohan Aggarwal
Chairman-cum-Managing Director

**DIRECTORS' REPORT**

To
The Shareholders of
PIONEER AGRO EXTRACTS LIMITED

Yours Directors have pleasure in presenting the 16th Annual Report together with Audited Statement of Accounts for the year ended March 31, 2008.

FINANCIAL HIGHLIGHTS AND OPERATIONS

During the current year operations the financial performance of the Company was as under

Particulars	2007-2008	2006-2007
Operating Profit/(Loss)	184.43	177.69
Interest & Financial charges	79.51	72.38
Net Profit/(Loss) before Depreciation & taxation	104.92	105.31
Depreciation	92.02	90.07
Net Profit/(Loss) after Depreciation but before taxes	12.90	15.24
Provision for Taxation	12.40	11.10
Net Profit/(Loss) after taxation	0.50	4.14
Excess taxation provision written back	6.73	0.01
Income Tax paid	3.87	0.00
Net Profit/(Loss) brought forward from the previous years	173.96	169.81
Profit/(Loss) carried to Balance Sheet	177.32	173.96

DIVIDEND

In view of the inadequate profits during the year under review, your Directors do not recommend the payment of any Dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS**OPERATIONS**

The sales and other income during the year under review was Rs. 5891.88 lacs as against Rs. 7238.40 lacs during the previous year. The production of Vanaspati and refined oils aggregated to 10591.028 M.T. as against 15560.246 M.T. during the previous year. Change in Government policies discouraging thereby the import of Vanaspati from the neighbouring countries like Nepal, Sri Lanka helped a bit in improving the performance of Vanaspati Sector all over India.



APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Mr. Anuj Bansal and Mr. Vipin Aggarwal are the directors liable to retire by rotation and being eligible have offered themselves for reappointment.

Mr. Baldev Kashtwal was appointed as additional director in the capacity of Non-Executive Independent Professional Director of the Company and hold office of the director up to the date of the ensuing Annual General Meeting. He is being appointed as regular director of the Company.

Mr. Pawan Verma, Director left the Company by submitting resignation.

LISTING OF SECURITIES

Shares of the Company are listed on "The Stock Exchange, Mumbai".

DIRECTORS RESPONSIBILITY STATEMENT

In terms of section 217 (2AA) of the Companies Act, 1956, the Directors of the Company state that: :

- (a) in the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period;
- (c) the Director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

The Company has not accepted Fixed Deposits from the Public under section 58A of the Companies Act read together with Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

INSURANCE OF FIXED ASSETS

The Fixed Assets of the Company are adequately insured.



AUDITORS

M/s. Anil Vasudeva & Co., Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956. Members are requested to consider their reappointment.

AUDITOR'S REPORT.

The observations made in the Auditor's Report together with the Notes on Accounts thereon are self explanatory and require no further clarification from the directors under section 217 (3) of the Companies Act, 1956.

COST AUDITORS

M/s Pawan & Associates, Cost Accountants, Jalandhar have been appointed as Statutory Cost Auditors of the Company for the financial year 2008-2009 for which approval from the Central Government, Cost Audit Branch, New Delhi has already been received.

CLEAN DEVELOPMENT MECHANISM PROJECT

The Clean Development Mechanism (CDM) is an arrangement under the Kyoto Protocol allowing industrialised countries with a greenhouse gas reduction commitment to invest in projects that reduce emissions in developing countries as an alternative to more expensive emission reductions in their own countries. A crucial feature of an approved CDM carbon project is that it has established that the planned reductions would not occur without the additional incentive provided by emission reductions credits, a concept known as "additionality".

In the Board Meeting held on 16.04.2008, the directors discussed the various projects leads towards GHGs emission reduction also eligible under CDM category and directed the Top Management of the Company to submit any plans in future after considering the environmental well being as well as the techno economic viability of the Projects. Depending upon the techno economic viability study, the Board may give its decision to pursue one or more Environment friendly projects.

PARTICULARS OF EMPLOYEES

There has been no employee who was getting the remuneration in excess of the prescribed limits under section 217 (2A) of the Companies Act, 1956. Therefore, the information as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 has not been furnished.



PIONEER AGRO EXTRACTS LIMITED

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of the Board) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, wherever applicable, is given in the Annexure A which forms a part of this Report.

EMPLOYEE RELATIONS

The relations with the staff members and the workforce continued to be cordial and satisfactory during the year under review. Your Directors are pleased to acknowledge their sincerity and dedication for the development of the Company.

CORPORATE GOVERNANCE

A report on the Corporate Governance along with Auditor's Certificate is attached to the report.

SEGMENT WISE PERFORMANCE

Your Company is engaged in the manufacturing of edible oils and vanaspati, which, in context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India, is considered the only business segment, i.e. Edible Oils Segment.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the support, guidance and co-operation extended to the Company by various agencies of the Central Government, State Government, Financial Institutions, Banks, creditors, customers, distributors and suppliers. Your Directors also wish to place on record their appreciation for the sincere and dedicated services of the executives, staff and workers of the Company at all levels.

Your support as shareholders is greatly valued.

For and on behalf of the Board

Place : Pathankot

Dated : 30.06.2008

Jagat Mohan Aggarwal
Chairman-cum-Managing Director

ANNEXURE "A"**PIONEER AGRO EXTRACTS LIMITED****POWER AND FUEL CONSUMPTION**

Particulars	Current Year 31.03.2008	Last Year 31.03.2007
Electricity purchased (Units)	1347130	1822180
Amount (in Rs.)	5984230	7551366
Rate per Unit (in Rs.)	4.44	4.14
Own Generation through Diesel Generation (Units)	78020	308260
Amount (In Rs.)	1064613.48	3018492
Cost Per unit (in Rs.)	13.65	9.79
Coal (in MT)	806.18	Nil
Coal amount (in Rs.)	2378231	Nil
Furnace oil	Nil	Nil
Fuel Consumption(In MT)	5495.45	11114.460
Amount (in Rs.)	13417881	19728826
Rate per MT	2441.63	1775.06
Diesel (Qty in Ltrs)	27000	94000
Amount (in Rs.)	792259	2942349.20
Rate per Ltr. (HSD/LDO)	29.34	31.30
Vanaspati & Refined Oil Production	10591.028	15560.246
Consumption per tonne of output		
Electricity	134.56 Units	136.92 Units

EARNINGS AND OUTGO

- Foreign Exchange Earning (Rs.)	Nil	Nil
- Foreign Exchange Outgo (Rs.)		

**By order of the Board
For Pioneer Agro Extracts Limited**

Place : Pathankot
Dated : 30.06.2008

**Jagat Mohan Aggarwal
Chairman-cum-Managing Director**



PIONEER AGRO EXTRACTS LIMITED

CORPORATE GOVERNANCE REPORT

COMPANY'S GOVERNANCE PHILOSOPHY

The Company's Governance philosophy is to have transparency and accountability in all its interactions with the Government, Shareholders and Employees.

BOARD OF DIRECTORS

Company's Board has Eight Directors comprising of four independent directors. The Board and its committee met at regular intervals. During the financial year 2007-08, Seven Board Meetings were held on the following dates 26th April, 2006, 15th May, 2007, 30th June' 2007, 31st July' 2007, 30th October, 2007, 30th January, 2008, and 1st March, 2008. All the directors attended all the meeting except Sh. Vipin Aggarwal and Sh. Pawan Verma who did not attend any meeting and were granted leave of absence. Sh. Anuj Bansal and Sh. Sameer Aggarwal attended the last four Board Meetings only. Other Directors i.e Sh. Jagat Mohan Aggarwal, Sh. Bharat Bhushan Aggarwal, Sh. Ajay Goel and Sh. A.K. Arora attended all the meetings. After 31st March, 2008, one independent director Mr. Pawan Verma resigned from the Company and Mr. Baldev Kashtwal joined the Company as additional director in the capacity of independent director. Sh. Jagat Mohan Aggarwal, Sh. Ajay Goel and Sh. Bharat Bhushan Aggarwal, during the financial year 2007-08, also held the position of directors in a Public Limited Company.

The Directors who will retire by rotation and offer themselves for reappointment are as follows

1. Sh. Anuj Bansal
2. Sh. Vipin Aggarwal

No remuneration/sitting fees were paid to the Directors except Sh. Jagat Mohan Aggarwal, Sh. Ajay Goel, Sh. Bharat Bhushan Aggarwal and Sh. A.K. Arora who were paid Rs.2,40,000/-, Rs 96,000/-, Rs.96,000/- and Rs.1,39,040/- per annum respectively

AUDIT COMMITTEE

The Audit Committee met five times during the financial year 2007-08 on 18.04.2007, 30.06.2007, 31.07.2007, 30.10.2007 and 30.01.2008. The Audit Committee worked as per its terms of reference as prescribed by the Stock Exchange from time to time. All members attended all the meetings of the Audit Committee. Audit Committee consists of Sh. Sameer Aggarwal as Chairman, Sh. Jagat Mohan Aggarwal as member and Sh. Pawan Verma as member who replaced Sh. A.K. Arora. Mr. S.M. Parashar, DGM (Finance) is the secretary of the Committee

REMUNERATION COMMITTEE

The remuneration committee met once in the financial year 2007-08 i.e on 1st March, 2008 to approve the remuneration for the reappointment of Sh. Jagat Mohan Aggarwal as Managing Director, Sh. Ajay Goel as Joint Managing Director and appointment of Sh. A.K. Arora as Executive Director (Works). All members attended the meeting. The Remuneration committee consists of Sh. Sameer Aggarwal, Sh. Anuj Bansal and Sh. Pawan Verma

**SHAREHOLDERS/INVESTOR GRIEVANCES COMMITTEE**

The Company's shareholders/Investor Grievances Committee met two times on 16th May, 2007 and 20th February, 2008. All the shares lodged for transfer have been duly registered and no transfer of shares, complaints is pending as on 31.03.2008.

DISCLOSURES

Disclosure of transaction with any related parties i.e. promoters, Directors, Relatives etc. have been made in the Balance Sheet in Schedule "notes to the accounts". The Company has complied with all the requirements of the Stock Exchanges, SEBI and other Statutory Authorities. No penalties have been imposed on the Company by the said authorities.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under

YearDayDateTimeVenue

YEAR	DAY	DATE	TIME	VENUE
2005	Wednesday	21.09.2005	11.00 A.M	Chhoti Nehar, Malakpur, Pathankot (Regd. Office)
2006	Wednesday	20.09.2006	10.00 A.M	Chhoti Nehar, Malakpur, Pathankot (Regd. Office)
2007	Wednesday	19.09.2007	10.00 A.M	Chhoti Nehar, Malakpur, Pathankot (Regd. Office)

GENERAL SHAREHOLDER INFORMATION**(A) 16TH ANNUAL GENERAL MEETING**

Wednesday	24.09.2006	10.00 A.M	Chhoti Nehar, Malakpur, Pathankot (Regd. Office)
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**(B) FINANCIAL CALENDER**

Financial Year	1 st April to 31 st March
Board Meeting for considering the Accounts	30.06.2008
Posting of Annual Report on or before	31.08.2008
Book Closure Dates	22.09.2008 to 24.09.2008 (Both days inclusive)
Last date for the receipt of proxy forms	22.09.2008
16 th AGM	24.09.2008
Dividend payment date	--- N.A. ---
Board Meeting to consider unaudited results for the first three quarters of the financial year 2008-09	
Results of the quarter ended on 30 th June, 2008	30.07.2008
Results of the quarter ended on 30 th September, 2008	End of October, 2008
Results of the quarter ended on 31 st December, 2008	End of January, 2009

(C) REGISTERED OFFICE - Chhoti Nehar, Malakpur, Pathankot

(D) LISTING OF SECURITIES : Shares of the Company are listed on "The Stock Exchange, Mumbai.

(E) STOCK MARKET DATA

The Equity Shares of the Company have not been frequently traded on any stock exchange for the last three years.

(F) SHARE TRANSFER AGENT

The address of the Registrar & Share Transfer Agent i.e M/s. Abhipra Capital Limited is as follows

Abhipra Capital Limited
A-387, Dilkhush Industrial Area
G.T. Karnal Road, Azadpur, Delhi - 110033

(G) SHARE HOLDING PATTERN AS ON 31st MARCH, 2008

Share holding as on 31st March, 2008 is as follows.

PIONEER AGRO EXTRACTS LIMITED



		Statement Showing Shareholding Pattern				
Name of the Company :		PIONEER AGRO EXTRACTS LIMITED				
Scrip Code :		519439		Quarter Ended :	31.3.2008	
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group ²					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	26	2289100	0	52.84	52.84
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Others (Specify)	0	0	0	0.00	0.00
(e-i)		0	0	0	0.00	0.00
(e-ii)					0.00	0.00
	Sub Total(A)(1)	26	2289100	0	52.84	52.84
2	Foreign					
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
b	Bodies Corporate	0	0	0	0.00	0.00
c	Institutions	0	0	0	0.00	0.00
d	Any Others (Specify)	0	0	0	0.00	0.00
d-i					0.00	0.00
d-ii					0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	26	2289100	0	52.84	52.84
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00
(b)	Financial Institutions/ Banks	1	200000	200000	4.62	4.62
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
(h-i)					0.00	0.00
(h-ii)					0.00	0.00
	Sub-Total (B)(1)	1	200000	200000	4.62	4.62
B 2	Non-Institutions					
(a)	Bodies Corporate	18	574719	346019	13.27	13.27
(b)	Individuals					
i	Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1051	435177	61946	10.04	10.04
ii	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	17	804000		18.56	18.56
(c)	Any Other (specify) - Non-resident	1	22400		0.52	0.52
(c-i)	Hindu Undivided Family	2	6904	6904	0.16	0.16
	Sub-Total (B)(2)	1089	1843200	614869	42.55	42.55
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	1090	2043200	614869	47.16	47.16
	TOTAL (A)+(B)	1116	4332300	614869	100	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued					
	GRAND TOTAL (A)+(B)+(C)	1116	4332300	614869	100	100

PIONEER AGRO EXTRACTS LIMITED



(H) Location of the Plant

Pioneer Agro Extracts Limited
Village & P.O. Tharial, Defence Road,
Madhopur, Pathankot

Address for Correspondence

(a) Regd. Office
Pioneer Agro Extracts Limited
Chhoti Nehar, Malakpur
Pathankot.

(b) Registrar and Transfer Agent

M/s. Abhipra Capital Limited
A-387, Dilkhush Industrial Area
G.T. Karnal Road, Azadpur, Delhi - 110033

CEO/CFO Certification

The Managing Director and the person heading the finance function has given the following certificate to the Board in the meeting held on 30.06.2008 :

1. We have reviewed financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:
 - (i) the statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading
 - (ii) the statements together present a true and fair view of the Company's affairs and are in compliance with accounting standards, applicable laws and regulations.
1. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct
2. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting

-sd-

Place : Pathankot
Date : 30.06.2008

Jagat Mohan Aggarwal
Managing Director

-sd-

S.M. Parashar
DGM (Finance)



PIONEER AGRO EXTRACTS LIMITED

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF THE
CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE
LISTING AGREEMENT WITH STOCK EXCHANGES**

**To the Members
PIONEER AGRO EXTRACTS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Pioneer Agro Extracts Limited for the financial year ended on 31st March, 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The condition of the 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 of the financial statements of the Company.

In our opinion and to the best of our information and 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.

We state that in respect of investor grievances received during the year ended 31st March, 2008, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Shareholders/Investors Grievance Committee.

We further 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

Place : Pathankot
Dated : 30.06.2008

For **ANIL VASUDEVA & CO.**
Chartered Accountants

-sd-
(ANIL KUMAR)
Prop.



**ANIL VASUDEVA & CO.,
CHARTERED ACCOUNTANTS**
OPP. S.P.'s Office, Near Dhangu Chowk,
Pathankot
Phones : 0186 - 2224737, 2227737
Fax : 0186 - 2224737
E-mail : anilv9@sancharnet.in

AUDITORS REPORT

The Members
Pioneer Agro Extracts Ltd.

- 1) We have audited the attached Balance Sheet of Pioneer Agro Extracts Limited as on 31st March, 2008 and also the Profit and Loss Account 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.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. These 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 Manufacturing and Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in term 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.
- 4) Further to our comments in annexure referred to in paragraph (1) above, we report that :
 - (a) we have obtained all the information and explanation 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 it appears from our examination of such books;
 - (c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, except for non provision of Deferred Tax Liability as required under Accounting Standard AS 22 : 'Accounting for Taxes on income' (refer Note No.9 of Schedule 22), the Profit and Loss Account and the Balance Sheet comply with the Mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;



- (e) On the basis of our review of the confirmations received from the Companies in which the Directors of the Company are Directors and as per information and explanation given to us, none of the Directors are prima facie disqualified from being appointed as Director under clause (g) of sub section 1 of section 274 of the Companies Act 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Notes on Accounts and our comments in the statement referred to in paragraph 1 above read together with Accounting Policies and Notes on Accounts 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 Balance Sheet of the state of affairs of the company as on 31st.March, 2008;
 - (ii) in the case of Profit and Loss Account of the Profit for the year ended on that date. and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **ANIL VASUDEVA & CO.**
Chartered Accountants

Place : Pathankot
Dated : 30.06.2008

(**ANIL KUMAR**)
Proprietor



PIONEER AGRO EXTRACTS LIMITED

ANNEXURE TO THE AUDITORS REPORT

Referred to in Paragraph (1) of our report of even date

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Fixed assets have been physically verified during the year by the management. We are informed that no material discrepancies were noticed by the management on such verification.
 - (c) None of the Fixed Assets have been revalued during the year. In our opinion the Company has not disposed of substantial part of Fixed Assets during the year.
2. In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (a) The Company has taken loans from nineteen parties aggregating to Rs.223.14 Lacs outstanding at the end of the year.
 - (b) In our opinion and according to the information and explanations given to us, interest being paid and other terms and conditions are not prima facie prejudicial to the interest of the Company.



- (c) The Company has granted loans on which interest is being charged. In respect of loans taken by the Company, interest payments are regular & the principal amount is repayable on demand.
- (d) There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transaction covered under section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Act and exceeding Rs.5 Lacs in respect of any party during the year have been made at the prices, which are reasonable having regard to prevailing market prices at the relevant times.
6. According to the information and explanation given to us the Company has not accepted deposits from the public with in the meaning of section 58A and 58AA.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has prescribed for the maintenance of cost records under section 209 (1)(d) of the Companies Act 1956 in respect of activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the same.
9. In respect of statutory dues:
- (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Sales Tax, Customs Duty, Excise Duty, Income Tax, cess and any other statutory dues with the appropriate authorities during the year.



10. The Company has no accumulated losses & the company made a profit in this year as well as in the immediately preceding previous year.
11. Based on books & records procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company 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 fund/societies.
14. As informed and explained to us, the Company has not dealt/traded in securities or debentures during the year.
15. According to the information and explanation given to us, the Company has given guarantee for loans taken by its associates from banks or financial institutions. According to the information and explanation given to us, these are not prima-facie prejudicial to the interest of the Company.
16. The Company has not made any preferential allotment of shares.
17. No Debentures have been issued by the Company and hence the question of creating securities in respect thereof does not arise.
18. The Company has not raised any money through a public issue during the year.
19. According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**For ANIL VASUDEVA & CO.
Chartered Accountants**

**Place : Pathankot
Dated : 30.06.2008**

**(ANIL KUMAR)
Proprietor**

PIONEER AGRO EXTRACTS LIMITED**BALANCE SHEET AS AT 31st MARCH, 2008**

PARTICULARS	SCHEDULE	AS AT 31-03-2008 (Amount in Rs.)	AS AT 31-03-2007 (Amount in Rs.)
1 SOURCES OF FUNDS			
I. Shareholders funds			
a) Share Capital	I	43585400	43585400
b) Reserve & Surplus	II	<u>54160657</u>	<u>97409594</u>
II. Loan Funds			
<u>Secured Loans</u>	III	34299789	55031092
<u>Unsecured Loans</u>		<u>22710597</u>	<u>77502158</u>
		<u>154756443</u>	<u>174911752</u>
2 APPLICATION OF FUNDS			
I. Fixed Assets			
<u>Gross Block</u>	IV	233068691	219796544
<u>Less: Depreciation</u>		<u>167055415</u>	<u>158454876</u>
<u>Net Block</u>		66013276	61341668
II. Investments	V	46523762	45727751
III. Current Assets, Loans & Advances			
a) Current Assets			
Inventories		59037761	51105714
Cash & Bank Balances		812597	6228130
Sundry Debtors		22873864	30009001
b) Loans & Advances		<u>18627590</u>	<u>36498378</u>
		101351812	123841223
Less: Current Liabilities and Provisions	VII	<u>59773786</u>	<u>56800614</u>
Net Current Assets		41578026	67040609
IV. Miscellaneous Expenditure (To the extent not written off or adjusted)	VIII	<u>641379</u>	<u>801723</u>
		<u>154756443</u>	<u>174911752</u>

NOTES TO THE ACCOUNTS XIV

This is the Balance Sheet referred to in our report of even date to the member of Pioneer Agro Extracts Ltd.

For **ANIL VASUDEVA & CO.**,
Chartered Accountants

For and on behalf of the board

(ANIL KUMAR)
Proprietor

(JAGAT MOHAN AGGARWAL)
Managing Director

(AJAY KUMAR)
Jt. Managing Director

Place: Pathankot
Dated: 30.06.2008

(BHARAT BHUSHAN AGGARWAL)
Whole Time Director

(S. M. PARASHAR)
DGM-Finance

**PIONEER AGRO EXTRACTS LIMITED****PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2008**

PARTICULARS	SCHEDULE	AS AT 31-03-2008 (Amount in Rs.)	AS AT 31-03-2007 (Amount in Rs.)
I INCOME			
Sales			
-Vanaspati & Refined		568539855	717995288
-Others		15836698	1403963
Other Incomes	IX	5011102	4441217
Increase (Decrease) in Stocks	X	5263152	1041687
		<u>594450807</u>	<u>724882154</u>
II EXPENDITURES			
-Raw Material	XI	509208859	618704440
-Excise Duty Paid		0	132197
-Manufacturing, Administrative & Other Expenses	XII	68639219	88115940
-Financial Expenses	XIII	7950639	7238228
-Depreciation		9201727	9007451
-Amortised Expenditure Written off		160345	160345
		<u>593160789</u>	<u>723358600</u>
III NET PROFIT BEFORE PROVISION FOR TAX		1290018	1523554
IV PROVISION FOR TAXATION		1240000	1110000
V NET PROFIT FOR THE YEAR		50018	413554
VI EXCESS PROVISION OF PREVIOUS YEAR WRITTEN BACK		673907	961
VII LESS : INCOME TAX PAID		387462	0
VIII BROUGHT FORWARD FROM LAST YEAR		17395958	16981443
IX PROFIT AVAILABLE FOR APPROPRIATION		17732421	17395958
X PROFIT TRANSFERED TO GENERAL RESERVE		0	0
XI PROFIT CARRIED TO BALANCE SHEET		17732421	17395958
XII NOTES TO THE ACCOUNTS	XIV		

This is the Profit & Loss Account referred to in our report of even date to the member of Pioneer Agro Extracts Ltd

For **ANIL VASUDEVA & CO.,**
Chartered Accountants

For and on behalf of the board

(ANIL KUMAR)
Proprietor

(JAGAT MOHAN AGGARWAL)
Managing Director

(AJAY KUMAR)
Jt. Managing Director

Place: Pathankot
Dated: 30.06.2008

(BHARAT BHUSHAN AGGARWAL)
Whole Time Director

(S. M. PARASHAR)
DGM-Finance



PIONEER AGRO EXTRACTS LIMITED

SCHEDULE FORMING PART OF THE ACCOUNT

PARTICULARS	AS AT 31-03-2008 (Amount in Rs.)		AS AT 31-03-2007 (Amount in Rs.)	
SCHEDULE I: SHARE CAPITAL				
AUTHORISED				
-75,00,000 (75,00,000) Equity Shares of Rs. 10/- each	75000000	75000000	75000000	75000000
ISSUED, SUBSCRIBED & PAIDUP CAPITAL				
-23,10,000 (23,10,000) Equity Shares of Rs. 10/- each fully paid up	23100000		23100000	
-20,22,300 (20,22,300) Equity Shares of Rs. 10/- each fully paid up	20223000	43323000	20223000	43323000
SHARES FORFEITED				
-85,600 (65,600) Equity Shares of Rs. 10/- each forfeited (Rs. 4/- paid up)	262400	262400	262400	262400
		<u>43585400</u>		<u>43585400</u>
SCHEDULE II: RESERVE & SURPLUS				
A GENERAL RESERVE				
Opening Balance	5000000.00		5000000	
Additions during the year	0	5000000	0	5000000
B SURPLUS, BEING BALANCE IN THE PROFIT & LOSS ACCOUNT				
		17732421		17395958
C CAPITAL SUBSIDY				
		10000000		10000000
D REVALUATION RESERVE				
		21428238		21428238
		<u>54180657</u>		<u>53824194</u>
SCHEDULE III: LOAN FUNDS				
SECURED LOANS				
TERM LOANS:				
A From Financial Institutions				
1 The J & K Bank Ltd., Pathankot		0		2892876
Amount payable with in next year Nil lakh (Rs.28.83 lakh)				
Secured by first charge on Dry Dewaxing Fractionation Plant				
2 The J & K Bank Ltd., Pathankot		4769552		6361749
Amount payable with in next year Rs.15.76 lakh (Rs.15.76 lakh)				
Secured by first charge on new hi tech indogenous oil processing plant				
3 Term Loan (Car Loan From ICICI)		3213179		0
Amount payable with in next year Rs.13.33 lakh (Rs. Nil)				
Secured by first charge on vehicle				
WORKING CAPITAL LOAN:				
The Jammu & Kashmir Bank Ltd., Pathankot		26317058		45776468
i) Secured by first charge by way of hypothecation of raw material, stores and spares, stock in process, Receivables and finished products lying at Company's premises				
ii) Secured by first charge on Land & Building and other fixed assets of the company and equitable mortgage of property belonging to Sh. Ajay Goel (Jt. Mg. Director) alongwith brothers and equitable mortgage of Land belonging to Sh. Bharat Bhushan Aggarwal Director and his wife.				
(iii) Further secured under personal gurantee of Managing Director alongwith three other Directors.				
		<u>34299789</u>		<u>55031092</u>
UNSECURED LOANS:				
-Directors	186725		23973	
-Interest accrued and due on above	209548	396273	2584	26557
-Others	20675458		21805023	
-Interest accrued and due on above	1638866	22314324	839486	22444509
		<u>22710597</u>		<u>22471066</u>

(27)

PARTICULARS	GROSS				BLOCK DEPRECIATION				NET BLOCK	
	As at 1.4.2007	Addition during year	Deduct/Adj. during the year	As at 31.3.2008	Upto 31.03.2007	For the year	Deduct/Adj. during the year	As at 31.03.2008	As at 31.03.2008	As at 31.3.2007
Freehold Land	1825129	0	0	1825129	0	0	0	0	1825129	1825129
Building	34538640	762340	0	35300980	20248443	968219	0	21216662	14084318	14290197
Plant & Machinery	161055231	5007566	598000	165464797	119632336	6342209	374616	125599929	39864868	41422896
Furniture & Fixture	351949	11000	0	362949	306785	9339	0	316124	46825	45164
Electricals Installation	7503530	931647	0	8435177	5626279	262334	0	5888613	2546564	1877251
Vehicles	11778479	7470270	312676	18936073	10223401	1555798	226573	11552625	7383448	1555078
Office Equipment	2228561	0	0	2228561	1986130	52210	0	2038341	190220	242431
Laboratory Equipments	515025	0	0	515025	431502	11618	0	443121	71904	83522
Total	219796544	14182823	910576	233666897	158654076	8201727	601190	167066445	66013278	61341668
PREVIOUS YEAR	219166177	9098110	8467743	219796544	149711816	9007451	284391	158454876	61341668	69454361

PIONEER AGRO EXTRACTS LIMITED



PARTICULARS	AS AT 31-03-2008 (Amount in Rs.)	AS AT 31-03-2007 (Amount in Rs.)
SCHEDULE V: INVESTMENTS		
-FDR with The J&K Bank Ltd (including interest accrued)	1048762	252751
-4547500 (4547500) Equity Shares of Rs.10/- of Pioneer Industries Limited (Unquoted)	45475000	45475000
	46523762	45727751
SCHEDULE VI: CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
1 INVENTORIES		
-Stores and Spares	465223	278580
-Stock in trade		
Raw Material	7170558	4171416
Packing Material	1832190	1480005
Chemicals & Consumables	893319	1084139
Fuel	755144	1476291
-Stock in Process	21405478	18517811
-Finished Goods		
Vanaspati	13820088	15512422
Refined Oils	12053699	8288003
By Products & others	642058	289247
	59037781	51105714
2 CASH AND BANK BALANCES		
-Cash in Hand & Imprest Balances	711252	1712330
-With Scheduled Banks		
In Current Accounts	101345	1024472
-Cheque in Transit	0	812597
		3490328
		6228130
3 SUNDRY DEBTORS		
(Unsecured : Considered Good)		
-Over Six Months	75216	97116
-Others	22798648	29911885
		30009001
4 LOANS AND ADVANCES		
(Unsecured : Considered Good)		
-Advances recoverable in cash or in kind or for value to be received	14927217	28394570
-Balances with Excise Department	10331	10331
-Advance Tax & TDS	1988421	1291142
-Security and Other Deposits	1197480	1198660
-Subsidy receivable	0	5000000
-Others	524161	603675
	18827580	36498378
	101351812	123841223
SCHEDULE VII: CURRENT LIABILITIES AND PROVISIONS		
A CURRENT LIABILITIES		
-Sundry Creditors	5824862	6728128
-Advances from Customers	178423	312490
-Other Liabilities	52432502	48849997
	58533786	55690814
B PROVISIONS		
-Provision for Taxation	1240000	1110000
	1240000	1110000
	59773786	56800614
SCHEDULE VIII: MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
AMORTISED EXPENDITURE		
Opening Balance	801723	962068
Less : Written off in Profit & Loss Account	160345	160345
	641379	801723
		801723
SCHEDULE IX: OTHER INCOMES		
Interest Income	3260489	2445907
Freight Outwards	190497	1030152
Profit/Loss on sales of Fixed Assets	974513	65978
Discount of Cess on DEPB	283480	0
Miscellaneous Income	302515	27202
Rounding Off (Under Misc Income Head)	479	0
Short/Excess Recovery (Under Misc Income Head)	-872	0
Refund of Sales Tax/Surcharge	302122	862978
	5011102	4441217



PIONEER AGRO EXTRACTS LIMITED

SCHEDULE FORMING PART OF THE ACCOUNT

PARTICULARS	AS AT 31-03-2008 (Amount in Rs.)	AS AT 31-03-2007 (Amount in Rs.)
SCHEDULE X: INCREASE/DECREASE IN STOCKS		
Opening Stock	23798425	18057992
-Finished Products	18517611	23103686
-Stock in Process	<u>238866</u>	<u>349537</u>
-By Product	42552902	41511215
Closing Stock		
-Finished Products	25873795	23798425
-Stock in Process	21405476	18517611
-By Product	<u>536783</u>	<u>236866</u>
Increase/(Decrease) in Stocks	<u>5263152</u>	<u>1041687</u>
SCHEDULE XI: RAW MATERIAL COST		
CONSUMED - Opening Stock	4171416	2719680
+ : Purchase(Net)	489768599	619102377
- : Closing Stock	<u>7170558</u>	<u>4171416</u>
TRADED	<u>22438400</u>	<u>1053818</u>
	<u>509208859</u>	<u>619704440</u>
SCHEDULE XII: MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES		
A Manufacturing Expenses		
-Packing Material Consumed	28593850	41034074
-Fuel Consumed	18291672	20286009
-Chemicals and Consumable Consumed	2291126	4866470
-Repair and Maintenance		
- Building	55766	9711
- Machinery	<u>2364462</u>	<u>728664</u>
-Laboratory Expenses	27831	39982
-Electricity Expenses	5984230	7581366
-D. G. Set Expenses	1021719	3018492
-Oil & Oil Products	<u>1781746</u>	<u>2176559</u>
	58412452	79711027
B Establishment Expenses		
-Wages & Salaries	4040739	3063061
-Staff Welfare	27046	16542
-Security Expenses	<u>245938</u>	<u>199358</u>
	4313723	3278961
C Administrative and Other Expenses		
-Rent	196577	150850
-Telephone & Postage	270928	274700
-Legal, Professional and Consultancy	179960	118702
-Printing & Stationery	61409	64425
-Insurance	549580	689028
-Travelling and Conveyance (Including Director's Travelling Rs. 1,13,193.78 (Rs. 1,25,531.56))	305471	368546
-Vehicle Repairs & Maintenance	273366	241176
-General Expenses	72038	80125
-Auditors Remuneration	84200	84200
-Sundry fee & subscription	74131	66668
-Land & Site Cleaning Expenses	12148	10974
-Computer Expenses	<u>7210</u>	<u>48050</u>
	2087019	2215743
D Selling Expenses		
-Interest on Dealers Securities	12750	12750
-Advertisement and Publicity	14942	237331
-Octroi	0	17745
-Brokerage and Commissions	1080197	1424401
-Rebate and incentives	<u>708136</u>	<u>1217982</u>
	<u>1828025</u>	<u>2910210</u>
	<u>66639219</u>	<u>88115940</u>
SCHEDULE XIII: FINANCIAL CHARGES		
Interest on:		
-Term Loan (The J & K Bank Ltd., Pkt.)	971608	1381699
-Working Capital Limit (Bank)	4223007	4088135
-Others	<u>2588569</u>	<u>1626380</u>
-Bank Charges	<u>186255</u>	<u>141814</u>
	<u>7950639</u>	<u>7238228</u>



PIONEER AGRO EXTRACTS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE-XIV: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. RECOGNITION OF INCOME AND EXPENDITURE:

- i) Revenue/Incomes and Costs/Expenditure are generally accounted for on accrual, as they are earned or incurred.
- ii) The company accounts for excise duty on manufactured goods at their clearance from the factory rather than at the point of manufacture. This has however no impact on the operating results of the Company.

2. FIXED ASSETS

Fixed Assets are stated at Cost, less accumulated Depreciation.

3. Depreciation and Amortisation

- i) Depreciation on Fixed Assets is provided on Written Down value method on the rates specific in Schedule XIV of the Companies Act, 1956.
- ii) In view of the amendment in Schedule XIV, depreciation on assets costing below Rs.5000 are depreciated at the rate of hundred percent.
- iii) Depreciation on additions to assets or on sale/discardment of assets, is calculated on pro-rata from the date of such addition or up to the date of such sale/discardment, as the case may be.
- iv) Amortised Expenses are being written off equally over a period of seven years starting with effect from Accounting Year 2005-06.
- v) Depreciation on Amount added on revaluation is charged to Profit & Loss Account.

4. VALUATION OF INVENTORIES:

Method of Valuation

Raw Material, Packing Material & Consumables	At Cost
Finished Goods	At Cost or net realisable value whichever is lower
Stock in Process	At Cost
By Products	At net realisable value
Stores & Spares	At Cost

The Raw Material, Packing Material and Consumables are valued at cost on FIFO basis.

5. EXPENDITURE DURING CONSTRUCTION:

- a) All indirect expenses including Interest on borrowed fund which is attributed to construction or acquisition of Fixed Assets prior to this period is capitalised and added pro-rata to the cost of Building and Plant & Machinery.
- b) The Expenses incurred on Trial runs are also capitalised and added to the cost of Plant & Machinery.

**6. RESEARCH AND DEVELOPMENT**

Revenue expenditure including overheads on Research and Development is charged out as expenses through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is taken to Fixed Assets and depreciation is provided on such assets as are depreciable.

B. NOTES ON ACCOUNTS**1 Contingent Liabilities :**

The company has given corporate guarantee as security for Loan taken by Pioneer Industries Limited a Company to the tune of Rs.21.60 crores and second charge is created on its assets as security for the Loan taken by Pioneer Industries Limited.

2. No provision has been made for the gratuity as the Company is contributing towards Group Gratuity scheme of the LIC in respect of Employees who have put in requisite number of years service.

3. The previous year figures have been regrouped, restated wherever considered necessary to confirm with the current year figures and shown in brackets.

4. Fixed Assets installed and put to use have been certified by the management and relied upon by the auditors being a technical matter.

5. The debtors and creditors balances remain unconfirmed

6. The accounts include managerial remuneration to the Managing Director, Joint Managing Director and Whole Time Directors appointed under the Companies Act, 1956 amounting to Rs.2,40,000/- (Rs.240000), Rs. 96,000/- (Rs. 96000) and Rs. 2,35,040/- (Rs. 2,35,040) respectively.

7. *The Company has Deferred Tax Asset relating to less Depreciation allowable as per Income Tax Act to the extent of Rs.9.90 Lacs. The deferred tax liability relating to the difference in the Opening Fixed Assets as per Book & IT amounts to Rs.84.81 Lacs. In the absence of fair estimation of future taxable income, the Company has not yet created Deferred Tax Liability of Rs. 74.91 Lacs.*

8. AUDITORS REMUNERATION : CURRENT YEAR PREVIOUS YEAR

	Rs.	Rs.
Audit Fee	56,000	56,000
Tax Audit Fee	10,500	10,500
Certification	3,500	3,500
Out of Pocket Expenses	14,200	14,200



PIONEER AGRO EXTRACTS LIMITED

9. Disclosure as required by Accounting Standard (AS-18) "Related Party Disclosures" issued by the institute of Chartered Accountants of India (ICAI) as follows:-

(a) Names of related parties & description of relationship

(I) Related parties where control exists

(i) Pioneer Industries Limited	Due to common director
(ii) M/s Basheshar Dass Pran Nath Aggarwal & Co.	Director being partner
(iii) Jagat Mohan Aggarwal (HUF)	Director being Karta
(iv) M/s Ram Piari Aggarwal Financiers	Mother of Director being proprietor

(II) Key Management Personnel:

(i) Sh. Jagat Mohan Aggarwal	Managing Director
(ii) Sh. Ajay Goel	Joint Managing Director
(iii) Sh. Bharat Bhushan Aggarwal	Director
(iv) Sh. A.K.Arora	Director (Works)

(b) Details of Transactions:

Name/ Nature of Transaction	Current Year		Previous Year	
	Amount(Rs)	Outstanding	Amount(Rs)	Outstanding
(i) Pioneer Industries Limited				
(a) Purchase	508740628		620105769	
(b) Sales	1251385		705718	
(c) Against shares sold	45475000		45475000	
(d) Advances		Dr 12553476	11750000	Dr. 24363274
(ii) M/s Basheshar Dass Pran Nath Aggarwal & Co.				
(a) Sales	261426	Dr 1159	247605	Dr 694
(iii) Director				
(a) Remuneration		571040		560040
(b) Guarantee for Secured Loans		34299789		55031092
(iv) Jagat Mohan Aggarwal (HUF)		Cr. 950992		Cr. 3890507
(v) M/s Ram Piari Aggarwal Financiers		Cr. 246720		Cr. 1737697
(vi) Shuchita Aggarwal (w/o Director Jagat Mohan Aggarwal)		Cr. 436815		Cr. 133156
(vii) Jawahar Lal Aggarwal (b/o Director Bharat Bhushan Aggarwal)		Cr. 395722		Cr. 182542
(viii) Sweety Goel (w/o Director Bharat Bhushan Aggarwal)		Cr. 390902		Cr. 173549

**PIONEER AGRO EXTRACTS LIMITED**

(ix)	Bharat Bhushan Aggarwal, Director, Loan	Nil	Cr. 26557
(x)	Damtal Flour & food Pvt. Ltd.	Cr. 5372908	Cr. 10000000
(XI)	Jagat Roller Flour Mills	Cr. 186147	Nil
(XII)	Jagat Mohan Aggarwal	Cr. 396273	Nil
(XIII)	Mehak Aggarwal	Cr. 1009376	Nil
(XIV)	Mohinder Pal Aggarwal	Cr. 2993600	Nil
(XV)	Mohinder Pal Aggarwal (HUF)	Cr. 177630	Nil
(XVI)	Ram Piari Aggarwal	Cr. 49635	Nil
(XVII)	Vasu Aggarwal	Cr. 1440347	Nil
(XVIII)	Kanta Aggarwal	Cr. 262585	Cr. 242970
(XIX)	Padma Rani	Nil	Cr. 364454

10. SEGMENT REPORTING

The Company is dealing in Vanaspati & Refined Oils which in context to AS 17 issued by the Institute of Chartered Accountants of India is the only business segment.

11. Additional information required by para 3 & 4 of Part II of Schedule VI of the Company's Act 1956.

A. PARTICULARS OF LICENCED/INSTALLED CAPACITY

PARTICULARS	UNIT	CURRENT YEAR	PREVIOUS YEAR
LICENCED CAPACITY			
Vanaspati	TPD	N.A.	N.A.
Refined Oil	TPD	N.A.	N.A.
Stearic Acid	TPD	N.A.	N.A.
Oxygen Gas	Cylinder per day	N.A.	N.A.
INSTALLED CAPACITY			
Vanaspati	TPD	50	50
Refined Oil	TPD	90	90
Stearic Acid	TPD	10	10
Oxygen Gas	Cylinder per day	150	150
PRODUCTION			
Vanaspati	M.T	7451.083	12135.298
Refined Oil	M.T	3139.945	3424.948
Fatty Acid	M.T	13.110	17.205
Acid Oil	M.T	10.588	18.770
Oxygen Gas	Cylinder	Nil	19



PIONEER AGRO EXTRACTS LIMITED

Notes:

- a) Capacities are based upon the triple shift working of the Company.
 b) Installed Capacities are certified by the management and relied upon by the Auditors.

B. PARTICULARS OF STOCKS AND SALES OF FINISHED GOODS

CLASS OF GOODS	CURRENT YEAR		PREVIOUS YEAR	
	Qty. (M.T)	Value (Rs. in lacs)	Qty. (M.T)	Value (Rs. in lacs)
i. Opening Stock				
Vanaspatti	314.605	155.12	442.204	162.58
Refined Oil	161.335	82.86	48.947	18.00
Fatty Acid	10.870	1.52	17.915	2.15
Acid Oil	7.364	0.85	12.014	1.35
ii. Closing Stock				
Vanaspatti	224.352	138.20	314.605	155.12
Refined Oil	180.445	120.54	161.335	82.86
Fatty Acid	23.980	3.36	10.870	1.52
Acid Oil	17.952	2.01	7.364	0.85
iii. Sales				
Vanaspatti	7541.335	3899.13	12262.897	5666.47
Refined Oil	3120.835	1711.06	3312.560	1503.66
Fatty/Stearic Acid	--	--	24.250	3.50
Acid Oil	--	--	23.420	3.06
Oxygen Gas Cylinder	--	--	19	0.01
Gaard/Spent Earth	65.590	0.14	--	--
Misc. & other items	--	0.77	--	7.47

C. ANALYSIS OF MATERIAL CONSUMED

CLASS OF GOODS	CURRENT YEAR		PREVIOUS YEAR	
	Qty. (M.T)	Value (Rs. in lacs)	Qty. (M.T)	Value (Rs. in lacs)
i) Oil	10661.206	4867.69	15668.095	6176.51
ii) Packing	--	285.94	--	410.34
iii) Consumable & Chemicals	--	22.91	--	48.66

D. IN RESPECT OF GOODS TRADED:

Raw Oil:				
Sales	500.000	155.45	Nil	Nil
Purchases	500.000	151.38	Nil	Nil
Vanaspatti:				
Sales	150.165	75.20	22.680	9.83
Purchases	150.165	73.01	22.680	9.69

PIONEER AGRO EXTRACTS LIMITED**OTHERS:**

Sales	Nil	Nil	Nil	Nil
Purchases	Nil	Nil	Nil	Nil

E. VALUE OF IMPORTED AND INDIGENOUS MATERIAL

	CURRENT YEAR		PREVIOUS YEAR	
	Value (Rs. in lacs)	Percentage	Value (Rs. in lacs)	Percentage
i. Raw Oil				
a) Indigenous	4867.69	100.00	6176.51	100.00

12. Value of Imports Calculated of CIF basis.

	Current Year (Rs.)	Previous Year (Rs.)
Raw Material	151.38	Nil
Machinery	Nil	9.60

Earning per Share:

Net Profit after Tax	50,018	4,13,554
No. of Equity Shares	43,32,300	43,32,300
Earning per Share	0.01	0.10

13. The company has incurred an expense of Rs. 11,22,413 towards developmental cost attributable to in house process improvisation of refined oil and the same is being amortised within a period of seven years beginning April 2005.

14 Schedule I to XIV form an integral part of Balance Sheet and Profit and Loss Account.

'As per our report of even date attached'

For ANIL VASUDEVA & CO.,
Chartered Accountants

For and on behalf of the board

(ANIL KUMAR)
Prop.

(AJAY GOEL)
Jt. Managing Director

(JAGAT MOHAN AGGARWAL)
Managing Director

(S. M. PARASHAR)
DGM-Finance

(BHARAT BHUSHAN AGGARWAL)
Whole Time Director

Place: Pathankot
Dated: 30.06.2008



PIONEER INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.
 Balance Sheet Date State Code

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Right Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	Total Assets
<input type="text" value="154756"/>	<input type="text" value="154756"/>
SOURCES OF FUNDS	
Paid up Capital	Reserves and Surplus
<input type="text" value="43585"/>	<input type="text" value="54161"/>
Secured Loans	Unsecured Loans
<input type="text" value="34300"/>	<input type="text" value="22711"/>

APPLICATION OF FUNDS

Net Fixed Assets	Investments
<input type="text" value="66013"/>	<input type="text" value="46524"/>
Net Current Assets	Misc. Expenditure
<input type="text" value="41578"/>	<input type="text" value="641"/>
Accumulated Losses	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover	Total Expenditure ¹
<input type="text" value="584177"/>	<input type="text" value="593161"/>
Profit/Loss before Tax	Profit/Loss after Tax
<input type="text" value="1290"/>	<input type="text" value="50"/>
<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Dividend Rate
Please tick Appropriate Box(+) for profit(-) for Loss	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
Earning per share	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No.	<input type="text" value="151620000"/>
Product Description	<input type="text" value="REFINED"/>
Item Code No.	<input type="text" value="151500000"/>
Product Description	<input type="text" value="VANASPATHI"/>

For **ANIL VASUDEVA & CO.,**
Chartered Accountants

For and on behalf of the board

(ANIL KUMAR)
Proprietor

(JAGAT MOHAN AGGARWAL)
Managing Director

(AJAY KUMAR)
Jt. Managing Director

Place: Pathankot
Dated: 30.06.2008

(BHARAT BHUSHAN AGGARWAL)
Whole Time Director

(S. M. PARASHAR)
DGM-Finance

**PIONEER INDUSTRIES LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	2007-2008 (Amt in Rs.)	2006-2007 (Amt in Rs.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	1290018	1523554
Adjustment for :		
Depreciation (Net)	9201727	9007451
Interest Payment	7797134	7109164
Miscellaneous Expenditure	180345	180345
Operating Profit before working capital changes	18449225	17800514
Adjustment for :		
Trade and other Receivables	25005925	(18792399)
Inventories	(7932047)	(3055216)
Income Tax Paid	(823555)	(267041)
Trade Payable and other Liabilities	2843172	980026
Cash generated from operations	37542718	(3334116)
Interest Paid	(7797134)	(7109164)
NET CASH FROM OPERATING ACTIVITIES	29745585	(10443280)
CASH FLOW FOR INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(13873336)	(894758)
Decrease in investments	(796011)	496066
NET CASH USED IN INVESTING ACTIVITIES	14669347	(398692)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings (Net)	(1032383)	(8203467)
Proceeds from short term loans	(19459409)	11827851
NET CASH IN FINANCING ACTIVITIES	(20491772)	3624384
	(5415533)	(7217588)
Cash equivalents (A+B+C)		
Cash & Cash equivalent as :		
at 01.4.2007 (Opening Balance)	6228130	13445718
at 31.3.2008 (Closing Balance)	612597	6228130

NOTE :- Figure in () brackets represents outflow

For **ANIL VASUDEVA & CO.,**
Chartered Accountants**(ANIL KUMAR)**
Proprietor**(JAGAT MOHAN AGGARWAL)**
Managing Director

For and on behalf of the board

(AJAY KUMAR)
Jt. Managing Director**(S. M. PARASHAR)**
DGM-Finance**(BHARAT BHUSHAN AGGARWAL)**
Whole Time Director

Place: Pathankot

Dated: 30.06.2008



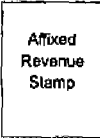
PIONEER AGRO EXTRACTS LIMITED

Regd. Office : Chhoti Nehar, Malakpur -145 025, Pathankot (Punjab) INDIA

PROXY FORM

Folio No. / DP ID No. # No. of equity shares held

I/We of in the district being a Member/Members of the above Company hereby appoint Sh. /Smt. of in the district of or failing him/her of in the district of as my/our proxy to vote for me/us on my/our behalf at the 16th Annual General Meeting of the Company to be held on Wednesday, the 24th September, 2008 at 10.00 a.m. at the Registered Office of the Company Situated Chhoti Nehar, Malakpur, Pathankot, (Punjab) and any adjournment thereof .



Signed this day of 2008.

Signature

- Note :**
1. The Form should be signed across the stamp as per specimen signature registered with the Company. The proxy Form must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
 2. Proxy need not be a member of the Company.



PIONEER AGRO EXTRACTS LIMITED

Regd. Office : Chhoti Nehar, Malakpur -145 025, Pathankot (Punjab) INDIA

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OT OVER AT THE ENTRANCE OF THE MEETING HALL.

Folio No. / DP ID No. # No. of equity shares held

Name of the Member
(In Block Letters)

Name of the Proxy
(if any)

I hereby record my presence at the Annual General Meeting of the Company held on 24th day of September 2008.

.....
Signature of the Member/Proxy

Attendance slip without this information will not be accepted.

Please bring your copy of Annual Report at the Meeting Hall.

No Gift/Gift coupons will be provided to the members.

BOOK - POST

If undelivered please return to :

PIONEER AGRO EXTRACTS LIMITED

REGISTERED OFFICE

Chhoti Nehar, Malakpur - 145025

Pathankot (Punjab)

