

PRAKASH SOLVENT EXTRACTION LIMITED

**19th ANNUAL REPORT
2010-2011**

Annual Report 2010-11

NOTICE

NOTICE is hereby given that the **ANNUAL GENERAL MEETING OF THE SHAREHOLDERS** of M/s PRAKASH SOLVENT EXTRACTIONS LTD. be held on 30th September 2011 at 11.00 A.M. at the following address at 402, Makhija Arcade, 35th Road, Khar – W, MUMBAI 400 052 to transact the following business :-

1. To review ,consider and adopt the Balance Sheet as at 31st March , 2011 and the Profit and Loss account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint Directors in Place of Mr. Laxmichand Punjabi who retire by rotation and being eligible offer himself for re-appointment.
3. To appoint auditors and fix their remuneration.
4. To consider any other matter with the permission of the Chair.

**By Order of the Board
For Prakash Solvent Extractions Ltd.**

Director

Mumbai

Dated : 12th August 2011

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND, ON A POLL , TO VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy in order to be valid and effective must be deposited at the Registered office of the Company not less than 48 hours before the commencement of the Meeting.
3. Members are requested to notify immediately any change in their address to the Company quoting their Folio number.
4. Due to prohibitive cost of paper and printing , copies of the Annual Report will not be distributed at the Annual General meeting. Members are therefore requested to bring their copies of the Annual Report with them for the meeting.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report along with the audited statement of Accounts for the year ended 31st March 2011 .

FINANCIAL RESULTS

The highlights of the financial results for the Current financial year ended 31st March 2011 are :

Rs in Lakhs

	31.3.2010	31.3.2011
TOTAL INCOME		
Sales	445.18	336.49
TOTAL	445.18	336.49
TOTAL EXPENDITURE		
Raw Materials	389.12	296.60
Operations and Other Exp.	48.06	31.32
Depreciation	5.88	3.21
Profit / (Loss)	2.10	2.50

OPERATIONS

During the year the company has made profit. There is an decrease in the turnover as compared to the previous year. The Profit for the current year is Rs.2.50 lakhs as compared to Rs. 2.10 lakhs in the previous year.

FUTURE PROSPECTS

In lieu of the recessionary trend in the market in general the outlook for the current year is not very attractive. The Company is trying hard to recover the fixed and variable costs and it has also adopted various cost reduction measures.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of clause 49 of the Listing agreement with the Stock exchange, the Management Discussion and analysis Report is appended to this report.

CORPORATE GOVERNANCE

Your company has always strived to incorporate appropriate standards for good corporate governance. As a listed Company, all required measures are taken to comply with the Agreement with the Stock Exchanges. A separate report on Corporate Governance along with a Certificate from the Auditor form part of this report.

AUDITORS REPORT

The Auditors have drawn your attention to specific point in their report. The notes are self-explanatory.

DIVIDEND

In view of conversing the resources and the new commitments in terms of the Order book position, the Directors are unable to Declare any Dividend for the current year.

PARTICULARS REGARDING CONSERVATIONS OF ENERGY ETC.

Information in accordance with the provisions of Section 217 (1) (E) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is attached in Annexure I and forms part of Annual report.

PARTICULARS OF EMPLOYEES

The information required U/S 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 1988 is not attached as no Employee is in receipt of remuneration in excess of Rs.24,00,000 p.a. ,if employed for the whole of the year or Rs.200,000 p.m. if employed for part of the year.

AUDITORS

M/s Ajay B Garg, Chartered Accountant retire at this Annual General Meeting and are eligible for re-appointment as Auditors.

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DIRECTORS :

Mr Ramesh T Punjabi , Directors of the company retire by rotation and being eligible , offer themselves for reappointment. The Board of Directors recommend their reappointment.

DIRECTORS RESPONSIBILITIES :

Pursuant to Section 217 (2A) of the Companies Act, as amended by the Companies Act, 2000 the Directors confirm that :

- a. In the preparation of the annual accounts , the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- b. Appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent , so as to give a true and fair view of the state of affairs of the company as on 31st March 2011 and of the Profit of the Company for the year ended 31st March 2011.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on a going concern basis.

INTERNAL CONTROL SYSTEMS :

The Company always believes that free hand in functioning, transparency , systems and controls combined together are important factor in the success and growth of any organization.

Audit committee of Directors is responsible for implementing adequate systems and controls for all the activities in the Company. They monitor, strengthen and modify these from time to time to meet the changing requirements of the Company.

FIXED DEPOSITS :

The Company has not accepted and or renewed fixed deposits from the public , during the year ended 31st March 2011.

ACKNOWLEDGEMENTS :-

Your Directors wish to take this opportunity to express deep sense of gratitude to the Financial institutions and especially **M/s HDFC Bank and Union Bank** for continued guidance and support.

At this point the Directors would also like to place sincere appreciation for the total commitment, dedication and hard work put in by the , Staff and the Workers of the Company for its success.

FOR AND ON BEHALF OF THE BOARD
For Prakash Solvent Extractions Ltd.

T. Punjabi
CHARIMAN

Date : 12TH AUGUST 2011.

ANNEXRE I

PARTICULARS OF TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH (DISCLOSURES OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 FOR THE PERIOD ENDED 31ST MARCH 2009.

A. Conservation of Energy :

The company continues to give high priority to conservation of energy on an ongoing basis. Some of the significant measures adopted are :

- i. Installation of Capacitors for improvement of power factor.
- ii. Replacement of energy efficient Electrical motors
- iii. Installation of UV sheets to reduce lighting consumption during the day time.
- iv. Improvement in power factor by distribution of load.

B. Technology Absorption :

The Company is continuously monitoring the manufacturing process and trying to achieve maximum production output from the existing Process.

C. Technology Absorption, adoption and innovation :

The technology used for manufacture of various products is fully absorbed and new innovations in process control, cost reduction and quality improvement are made on a continuous basis. The Company has not imported any technology during last 5 years.

D. Foreign Exchange Earnings and Outgo :

- | | |
|--------------------------------------|-----|
| i. Foreign Exchange Earned | NIL |
| ii. Outgo of Foreign Exchange | NIL |
| iii. Expenditure in Foreign Currency | NIL |
| iv. Net Foreign Exchange Earned | NIL |

**ANNEXURE II
REPORT ON CORPORATE GOVERNANCE**

1. Company's Philosophy on Code of Governance

Corporate governance through Transparency, Accountability and information is the key to a long term relationship between the company and shareholders.

The company has been endeavoring to implement and follow the best practices of governance. Your company has been keeping pace with the guidelines of various statutory authorities and changing from a closely held and governed company to equity participation by all the new shareholders.

The company's philosophy of Corporate Governance is aimed efficient conduct of its business meeting its obligations to shareholders, to fulfill its corporate responsibilities and to achieve its financial objectives. In order to meet the requirements the company has defined a policy of governance and has delegated powers to various committees which determine the major policy and working thereof.

2. Board of Directors of Company

Composition: – The present strength of the Board is three Directors.

The Composition of Board of Directors is as follows :

Name of the Director	Category of Directorship
Mr Thawardas Punjabi	Chairman
Mr Laxmichand Punjabi	Managing Director
Mr Ramesh Punjabi	Director

3. Number of Board Meetings held and the dates on which held

15 Board Meetings were held in 2009-2011 . The dates on which the meeting were held are 27/4/2010, 15/7/2010, 17/8/2010, 23/9/2010, 15/11/2010, 09/2/2011 and 31/3/2011 .

4. Attendance of Directors at Board Meetings, last Annual General Meeting:

Name of the Director	Category of Directorship	No. Of Board Meetings attended	% Of total meetings attended	Attendance at the last AGM
Mr Thawardas Punjabi	Chairman	7	100	Y
Mr Laxmichand Punjabi	Managing Director	7	100	Y
Mr Ramesh Punjabi	Director	7	100	Y

5. Audit Committee

The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. The Audit Committee consists of two independent directors and one executive director. The members of the Audit Committee are:

Name of the Member	Designation	Nature of Directorship
Mr Thawardas Punjabi	Chairman	Chairman
Mr Laxmichand Punjabi	Member	Managing Director
Mr Ramesh Punjabi	Member	Director

Audit Meetings and the attendance during the year.

There were five meetings of the Audit Committee during the year 2009-10

6. Remuneration Committee:-

The committee comprises of following members :

Sr. No.	Name of the members	Designation
1.	Mr Thawardas Punjabi	Chairman
2.	Mr Laxmichand Punjabi	Member
3.	Mr Ramesh Punjabi	Member

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The aggregate value of salary and perquisites paid for the year ended March 31, 2011 to the Directors is as follows:

Name of Directors	Sitting Fees (Rs.)	Salary & Perks (Rs.)	Total(Rs.)
Mr Laxmichand Punjabi	NIL	1,68,000	1,68,000

Presently, the company does not have a scheme for grant of stock options either to the Executive Directors or employees.

Investors/Shareholders Grievance Committee

1. The company's investors/Shareholders Grievance Committee has been constituted the following members presently.

S. No.	Name of the Directors	Designation
1.	Mr Thawardas Punjabi	Chairman
2.	Mr Laxmichand Punjabi	Member
3.	Mr Ramesh Punjabi	Member

NON-EXECUTIVE Independent Director.

Mr. Ramesh Punjabi is the Compliance Officer of the Company. The Company had received few complaints from the shareholders and almost all of them have been resolved by furnishing the requisite information / documents.

General Body Meetings

Details of the location of the last three AGMs and the details of the resolutions passed or to be passed by postal ballot.

The last three annual general meetings of the company were held at

Year	AGM	Location	Date	Time
2009-10	AGM	402, Mkahija Arcade, 35th Road, Khar – W Mumbai 400052	30.09.2010	11.00 A.M
2008-09	AGM	– DO –	30.09.2009	11.00 A.M
2007-08	AGM	--DO--	30.09.2008	11.00 A.M

The shareholders have passed all the resolutions set out in the respective notices.

No resolutions requiring postal ballot as recommended under Clause 49 of the Listing Agreements have been placed for shareholders' approval at the meeting.

Notes on directors seeking appointment/re-appointment as required under Clause 49VI(A) of the Listing Agreement entered into with stock exchanges.

Disclosures

Disclosure on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.

None

Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

None

Means of Communication

Quarterly results	Yes
Newspapers in which results are normally published in	Free press Journal in English Navshakti in Marathi
General Shareholder Information	
AGM: Date, Time and Venue	Thursday 30 th September,2011
Financial Calendar	31-3-2011
Date of Book Closure	Monday 13 th September,2009 to Thursday 18 th September,2011
Dividend payment date(s)	Not Applicable
Listing on stock exchange	Yes
Share Transfer System	Inhouse

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Distribution of shareholding and share holding pattern as on	31-3-2011
Outstanding GDRs /ADRs /Warrants or any convertible instruments conversion date and likely impact on equity	NIL
Address for correspondence.	307 New Anant Bhavan, 257/365, Narsi Natha Street Masjid, Mumbai 400 009

The distribution of shareholdings as on 31.3.2011 is as follows :-

No. of equity shares held	No. of Folios	%	No. of shares	%
1-5000	209	86.00	168916	6.51
5001-10000	16	6.58	118640	4.57
10001-20000	5	2.06	71200	2.75
20001-30000	2	0.82	45356	1.75
30001-40000	Nil	Nil	-----	-----
40001-50000	1	0.41	49311	1.90
50001-100000	1	0.41	98623	3.80
100001-ABOVE	9	3.72	2141253	78.72
Grand Total	243	100.00	2693299	100%
No. of shareholders in physical mode	243	100.00	2593299	100%
No. of shareholders in electronic mode	NIL	NIL	NIL	NIL

INFORMATION FOR SHAREHOLDERS

Shares Listed at 164 Stock Code

The Stock Exchange, Mumbai

Shareholding Pattern as on 31.3.2011

Category	Sub-category	No. of Securities held
Promoter's holding	Indian Promoters	1406053
	Foreign Promoters	-- ----
	Persons Acting in Concern	205700
	Sub Total	1611753
Institutional Investors	Mutual Funds & UTI	-- ----
	Banks, FIs, Insurance Co.s, Central / State Govt./Non-Govt. Institutions	246511
	FII	-- ----
	Sub-Total	246511
Others	Private Corporate Bodies	136033
	Indian Public	695902
	NRI/OCBs	-- ----
	Any Other	3100
	Sub Total	835035
Grand Total	2693299	

Listing Fees

The Company has paid the listing fees to stock exchanges for the period 2011-2012

STOCK PRICE DATA

The stocks of the company are suspended from trading due to technical reasons and hence the Market Price Data: High, Low during each month is not available.

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Month	BSE		NSE	
	HIGH	LOW	HIGH	LOW
Nov	NIL	NIL	NIL	NIL
Dec	NIL	NIL	NIL	NIL
Jan	NIL	NIL	NIL	NIL
Feb	NIL	NIL	NIL	NIL
March,2011	NIL	NIL	NIL	NIL

Share Transfer System

Application for transfer of shares held in the physical form is received at the company's investors services division. All valid transfers are processed and affected normally within 15 days from the date of receipt. The shareholders are given an option to convert the shares into dematerialized form and letters to that effect are sent to all shareholders. Based on their response, the share certificates are either sent to their addresses. The entire process is however, completed normally within a period of 30 days from the date of receipt of an application.

FINANCIAL CALENDAR (TENTATIVE) FOR RESULTS

1st Quarter	end of June, 2011
2nd Quarter	end of September, 2011
3rd Quarter	end of December, 2011
4th Quarter	end of March, 2012

DIVIDEND PAYMENT DATE : Not Applicable as no dividend is declared.

DEMAT POSITION AS ON

Fully paid up shares	%	Total No. of Shares			
		In demat form	%	In physical form	%
	NIL	NIL	NIL		<u>100</u>

Outstanding GDRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity. The company has not issued any GDRs or other instruments: The equity shares at par will be issued against the warrants on payment as under :

Nil

EQUITY

Lock-in period: NO OF SHARES : There are no shares in Lock in period

FOR & ON BEHALF OF THE BOARD

Chairman & Managing Director

PLACE: MUMBAI
DATED: 12th August,2011

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To:
The Board of Directors of
Prakash Solvent Extractions Ltd..
MUMBAI

We have examined the compliance of the conditions of Corporate Governance by Prakash Solvent Extractions limited for the period ended 31st March 2011, as Stipulated in Clause 49 of the Listing agreement of the said Company, with the Stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuing compliance with 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, and the representations made by the Directors and the management, we certify that the Company has not complied with all the conditions of Corporate Governance as stipulated in Clause 49 of the above Listing Agreement.

As required by the Guidelines Note issued by the Institute of Chartered Accountants of India, we have to state that the Directors have certified that they have maintained the records to show the investor's Grievances against the Company and that as 31st March 2011, there were no investor grievances remaining unattended /pending for more then 30 days.

We further state that such compliances 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 & on behalf of
Ajay B Garg
Chartered Accountant

A.Garg

Place : Mumbai
Dated : 12th August,2011

AUDITOR'S REPORT

**TO THE MEMBERS OF
PRAKASH SOLVENT EXTRACTIONS LIMITED**

1. We have audited the annexed Balance Sheet of **PRAKASH SOLVENT EXTRACTIONS LIMITED** as at 31st March 2011 and also the annexed profit & Loss account of the Company for the year ended on that date. These financial statements are the responsibility of the management of the company. Our responsibility is to express opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order, 2003 issued by the Central Government in terms of sub section (4A) of Section 227 of the Companies Act 1956, and on the basis of such checks as we may have considered appropriate and according to the information and explanations given to us, we set out in annexure a Statement on the matters specified in the paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :-
 1. We have obtained all the information and explanation which to the best of our knowledge and behalf were necessary for the purpose of our audit.
 2. In our opinion proper books of accounts as required by law have been kept by the company so far as appear from our examination of these books.
 3. The Balance Sheet and the profit & Loss account dealt with by the report are in agreement with the books of accounts
 4. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in Sub Clause [3c] of Section 211 of the Companies Act, 1956.
 5. Based on the basis of the written representations made by all the Directors of the company as on 31st March 2011 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the company do not, prima facie, have any disqualification as referred to in clause (g) sub-section 1 to the Section 274 of the Companies Act, 1956.
 6. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss account together with the Notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 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 affair of the company at 31st March 2011 and
 - b. In case of Profit & Loss account, of the profit for the year ended on that date.
 - c. In case of cash flow as on that date.

For **Ajay B. Garg**
Chartered Accountant

A Garg
Mumbai,

Dated : 12th August 2011

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ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF PRAKASH SOLVENT EXTRACTIONS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011.

1. In respect of Fixed Assets :

- a. The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
- b. During the year, majority of the fixed assets have been physically verified by the management on the basis of phased programme of verification of the assets over a reasonable time. No material discrepancies were noticed on verification of the assets made during the year.
- c. In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of inventories :

- a. The management has conducted physical verification of inventory at reasonable intervals.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and its nature of business.
- c. The company is maintaining proper records of inventory and 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 parties covered in the register maintained under section 301 of the Companies Act, 1956 :

- a. The company has not taken loans from any parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- b. The Company has not granted any loans during the year.
- c. In our opinion, the rate of interest and other terms and conditions on which the loans has been obtained and or given from the parties listed in register maintained under Sec. 301 of the Companies Act, 1956 are prima facia not prejudicial to the interest of the Company.
- d. The parties have repaid the Principal amounts as stipulated and have been regular in Payment of interest.
- e. There are no overdue amounts more than one lakhs.

4. In our opinion and as per the information and explanation given to us there are adequate internal control procedure commensurate with the size of the company and nature of its business with regards to purchases of new materials, stores, plant and machinery equipment and other assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956 :

- a. In our opinion and according to the information and explanations given to us, transactions that need to be entered into the Register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- b. So far we have been able to ascertain, the company has entered into transactions for purchase of goods an materials and sale of goods, materials and services in pursuance of contract or agreements entered in the Register maintained under Sec. 301 of the Companies Act, 1956 as aggregating during the year to Rs. 500,000/ – of more in respect of each party. These transactions have been made at prices which are reasonable having regard to prevailing market prices available with the company for such goods and services or the prices at the relevant time.

6. In respect of Fixed Deposits :

- a. In our opinion and as per information and explanation given to us the Company has not accepted any deposit from public.

7. In respect of internal audit systems :

- a. In our opinion, the Company has an internal audit system commensurate with the size and its nature of business.
8. To the best of our knowledge and according to information given to us, the Central Government has not prescribed

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maintenance of cost records under sec. 209 (i) (d) of the Companies Act, 1956 in respect of any of the products of the Company.

9. In respect of statutory dues :

- a. According to the records of the company, the Company is regular in depositing undisputed statutory dues including the Provident Fund dues, ESIS dues, Income tax, Sales tax and other statutory dues applicable to it with the statutory authorities.
 - b. According to information and explanation given to us, there are no undisputed amounts payable in respect of income Tax, Sales Tax, customs duty and excise duty which have remained outstanding as on 31st March 2011 for a period of more than six months from the date they become payable.
 - c. According to information and explanations given to us, there are no statutory dues which have not been deposited as on 31st March 2011 on account of any dispute.
10. The company has got accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
 11. According to information and explanations given to us, and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
 12. According to information and explanations given to us, and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provisions of clause 4(xii) of the Companies (Auditor's Report) order,2003 are not applicable to the Company.
 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. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) order,2003 are not applicable to the Company.
 14. In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Companies (Auditor's Report) order,2003 are not applicable to the Company.
 15. Based on our audit procedures and according to information and explanations given to us the company has not given guarantees for loans taken by others from a Bank or financial institution.
 16. In our opinion the term loans have been applied for the purpose for which they were raised.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term assets. No long term funds have been used to finance short term assets.
 18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
 19. The company has not raised any money by public issue and accordingly the provisions of clause 4 (xx) of the Companies (Auditor's Report) order,2003 are not applicable to the Company.
 20. The Company has not raised any money by issue of Debentures.
 21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **Ajay B. Garg**
Chartered Accountant

A Garg

Mumbai ,
Dated : 12th August 2011

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BALANCE SHEET AS AT 31ST MARCH 2011

(AMOUNT IN RUPEES)

	<u>SCHEDULE</u>	<u>AS AT 31.03.10</u>	<u>AS AT 31.03.11</u>
I. SOURCES OF FUNDS			
<u>Shareholder's Funds</u>			
Share Capital	A	26047405	26047405
Reserves and Surplus	B	1898160	1898160
<u>Loan Funds</u>			
Secured Loans	C	723388	721680
Unsecured Loans	D	1248999	1248999
TOTAL		<u>29917952</u>	<u>29916244</u>
II. APPLICATION OF FUNDS :			
<u>FIXED ASSETS</u>			
Gross Block	E	25845719	25845719
Less : Depreciation		23110128	23431955
Net Block		2735591	2413764
Capital Work In Progress		2845757	3882910
Current Assets, Loans & Advances	F	21893293	26598010
Less : Current Liabilities & Provisions	G	6434173	11605262
Net Current Assets		15459120	14992748
Miscellaneous Expenditure (to the extent not written off or adjusted)	H	-	-
Expenses pending allocation		-	-
Profit and Loss Account		(8877484)	(8626822)
TOTAL		<u>29917952</u>	<u>29916244</u>

Notes on Accounts

L

Schedule "A" to "L" form part of the Balance Sheet and Profit and Loss Account.

As Per our attached report of even date.

On Behalf of the Board

For Ajay B Garg

A Garg
Proprietor

T.G.Punjabi
Chairman

L.T.Punjabi
Director

Place : Mumbai.

Date : 12th August 2011

PRAKASH SOLVENT EXTRACTIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 31ST MAR 2011

(AMOUNT IN RUPEES)

	SCHEDULE	AS AT 31.03.10	AS AT 31.03.11
INCOME			
Sales + Other Income	I	47949612	33649388
Increase / (Decrease) in Stocks		- 3430823	-284220
TOTAL		<u>44518789</u>	<u>33365168</u>
EXPENDITURE			
Raw Material Consumed	J	38912726	29660517
Operation & Other Expenses	K	4806904	3132162
Depriciation		588997	321827
		<u>44308627</u>	<u>33114506</u>
PROFIT BEFORE INCOME TAX		210162	250662
Provision for Taxation			
NET PROFIT AFTER TAXES		<u>210162</u>	<u>250662</u>
Appropriations :		40500	--
Taxes paid for earlier years		800	
Balance Carried to Balance Sheet			
Notes on Accounts	L	168862	

Schedule "A" to "L" form part of the Balance Sheet and Profit and Loss Account.

As Per our attatched report of even date.

On Behalf of the Board

For Ajay B Garg

A Garg
Proprietor

T.G.Punjabi
Chairman

L.T.Punjabi
Director

Place : Mumbai.

Date : 12th August 2011

Annual Report 2010-11

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2011

Rs in Lakhs

A	CASH FLOW FROM OPERATIONAL ACTIVITY	
	NET PROFIT BEFORE TAX AND EXTRAORDINARY	
	ITEMS :	250,662
	ADJUSTMENTS FOR :	
	Depreciation	<u>321,827</u>
		572,489
	OPERATING PROFIT BEFORE WORKING CAPITAL	
	CHANGES	
	ADJUSTMENTS FOR :	
	(Increase)/Decrease in Trade receivables	(3,793,398)
	(Increase)/Decrease in Inventories	284,220
	(Increase)/Decrease in Loans and Advances	(206,905)
	Increase /(Decrease) in Trade Payables	5,207,469
	Increase /(Decrease) in Advances	(687,184)
	Increase /(Decrease) in Other Liabilities	<u>-36,380</u>
	CASH GENERATED FROM OPERATIONS	1,340,311
	Direct Taxes Paid	
	NET CASH GENERATED FROM OPERATIONS	1,340,311
B	CASH FLOW FROM INVESTING ACTIVITIES	
	Additions to Fixed Assets	(1,037,153)
		(1,037,153)
C	CASH FLOW FROM FINANCING ACTIVITIES	
	PROCEEDS FROM BANK BORROWING	
	- For Working Capital	<u>1,708</u>
		1,708
	NET INCREASE / (DECREASE) IN CASH	304,866
	AND CASH EQUIVALENTS	
	OPENING CASH AND CASH EQUIVALENTS	3,778,546
	CLOSING CASH AND CASH EQUIVALENTS	<u>4,083,412</u>
		(304,866)

PRAKASH SOLVENT EXTRACTIONS LIMITED

BALANCE SHEET FOR THE PERIOD 31ST MAR 2011

(AMOUNT IN RUPEES.)

	AS AT 31.03.10	AS AT 31.03.11
SCHEDULE - A		
<u>SHARE CAPITAL</u>		
Authorised :		
350000 Equity Shares of Rs.10/- each	35000000	35000000
Issued, Subscribed and Paidup Capital :		
2575221 Equity Shares of Rs.10/-		
Each fully paid up	25752210	25752210
Equity Shares – Partly Paidup : 118078	1180780	1180780
Less : calls in arrears (Rs: 2.50 paidup)	(885585)	(885585)
	<u>26047405</u>	<u>26047405</u>
 SCHEDULE – B		
<u>RESERVES AND SURPLUS</u>		
Share Forfeiture Account	1898160	1898160
	1898160	1898160
Profit and Loss Account		
Opening Balance	(9046346)	(8877484)
Addition during the Year	168862	250662
	<u>(8877484)</u>	<u>(8626822)</u>
 SCHEDULE – C		
SECURED LOAN From :		
A. HDFC Bank Ltd.		673411
B. IDBI Bank Ltd.	49977	721680
(Against Fixed Deposit Receipt with the Bank)		
	<u>723388</u>	<u>721680</u>
 SCHEDULE – D		
UNSECURED LOANS		
Others	1248999	1248999
	<u>1248999</u>	<u>1248999</u>

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SCHEDULE : E

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	COST AS ON 31.03.11	ADD/DED DURING THE YEAR	COST AS ON 31.03.11	AS AT 31.03.10	FOR THE PERIOD	AS AT 31.03.11	AS AT 31.03.10	AS AT 31.03.11
LAND -	96,080	-	96,080	-	-	-	96,080	96,080
BUILDING - 10%	8,916,404	-	8,916,404	6,784,826	213,158	6,997,984	2,131,578	1,918,420
PLANT/MACHINERY - 25%	7,878,013	-	7,878,013	7,747,462	32,638	7,780,100	130,551	97,913
BOILER	2,510,342	-	2,510,342	2,510,342	-	2,510,342	-	-
GENERATOR - 25%	378,965	-	378,965	373,057	1,477	374,534	5,908	4,431
BOREWELL - 10 %	178,940	-	178,940	140,052	3,889	143,941	38,888	34,999
TANKS - 25%	404,156	-	404,156	397,770	1,596	399,366	6,386	4,790
TRANSFORMER - 25%	200,815	-	200,815	197,685	782	198,467	3,130	2,348
ELECTRIC INST - 25%	637,352	-	637,352	627,414	2,485	629,899	9,938	7,453
FURNI & FIX - 10%	101,211	-	101,211	75,038	2,617	77,655	26,173	23,556
WEIGH BRIDGE - 25%	205,724	-	205,724	202,503	805	203,308	3,221	2,416
VEHICLES - 20 %	1,554,791	-	1,554,791	1,372,372	36,484	1,408,856	182,419	145,935
COMPUTER - 60 %	120,332	-	120,332	120,328	2	120,330	4	2
LAB.QUIP - 25%	164,537	-	164,537	160,560	994	161,554	3,977	2,983
REFRIGERATOR - 25	34,850	-	34,850	33,884	241	34,125	966	725
AIRCONDITION - 25%	27,000	-	27,000	25,860	285	26,145	1,140	855
XEROX MACHINE - 25%	60,000	-	60,000	57,466	633	58,099	2,534	1,901
EFFLUENT T.P 100%	181,400	-	181,400	181,400	-	181,400	-	-
REFINERY PL - 25%	2,194,807	-	2,194,807	2,102,109	23,741	2,125,850	92,698	68,957
TOTAL	25,845,719	-	25,845,719	23,110,128	321,827	23,431,955	2,735,591	2,413,764

PRAKASH SOLVENT EXTRACTIONS LIMITED

BALANCE SHEET FOR THE PERIOD 31ST MAR 2011

(AMOUNTT IN RUPEESS)

	AS AT 31.03.10	AS AT 31.03.11
SCHEDULE - F		
CURRENT ASSTEST, LOANS & ADVANCES		
A. <u>Current Assets</u>		
Stock in Trade As taken, valued & certified by management		
1) Raw Materials	-	--
2) Finished Goods	10666825	10382605
Sundry Debtors (unsecured, considered good)	6628277	10421675
<u>Cash & Bank Balances</u>		
Cash in Hand	20426	6305
Balances in Scheduled Banks in Current Accounts :		
Union Bank Of India Mumbai	28473	76341
Union Bank Of India Ahmedabad	19648	36582
Himmatnagar Nagrik Coop Bank – Himmatnagar HDFC	---	28583
Axis Bank Ltd – Ahmedabad	8245	8245
In Fixed Deposits – Banks	3696754	3922356
--- Other	5000	5000
Vat Recoverable		440989
B. <u>Loans & Advances</u>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be Received	495000	701905
Tax deducted at sources (from us)	324645	567424
	<u>21893293</u>	<u>26598010</u>
SCHEDULE – G		
CURRENT LIABILITES & PROVISIONS		
A. <u>Current Liabilities</u>		
Sundry Creditors	6397793	11605262
Other Liabilites	36380	
Provision for Taxation	--	---
	<u>6434173</u>	<u>11605262</u>
SCHEDULE – H		
MISCELLANOUS EXPENDITURE		
(to the extent not written off or adjusted)		
SCHEDULE – I		
<u>INCOME</u>		
Rent Charges	--	1576250
Sales	47602280	31342271
Interest Accrued / Received	347332	730867
	<u>47949612</u>	<u>33649388</u>

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BALANCE SHEET FOR THE PERIOD 31ST MAR 2011

(AMOUNTT IN RUPEESS)

	AS AT 31.03.10	AS AT 31.03.11
SCHEDULE – I		
<u>INCOME</u>		
Rent Charges	--	1576250
Sales	47602280	31342271
Interest Accrued / Received	347332	730867
	47949612	33649388
Increase / Decrease in Stocks		
Opening Balance	14097648	10666825
Closing Balance	10666825	10382605
Increase / Decrease	<u>- 3430823</u>	<u>- 284220</u>
SCHEDULE J		
Raw Materials :Opening Balance	1943036	--
Purchases	36969690	29660517
Less : Closing Stock	---	---
	<u>38912726</u>	<u>29660517</u>
SCHEDULE K - <u>Operation and Other Expenses</u>		
Salaries and Allowances	785663	532845
Advertisement	13585	---
Brokerage	107280	383109
Bank Charges	2854	720
Conveyance	144473	150143
Insurance Charges	595639	356754
Vehicle Maintance	86641	88180
Audit Fees	10000	10000
Legal Expenses	65000	26350
Membership Fees	11615	18133
Office Expenses	108509	120708
Director's Remuneration	168000	216000
Rent, Rates and Taxes	3600	---
Printing And Stationery	10221	9695
Professional Fees	23500	33000
Postage	12433	7308
Licence Fees	12240	4525
Telephone Charges	127331	102472
Travelling Expenses	109200	121525
Repairs And Maintainance	90902	101692
Interest Paid	110737	75009
Listing Fees	10000	11030
Profession Tax	12500	--
Process Expenses	2184118	--
Laboratory Testing Charges	863	3722
Social Welfare Expenses	--	5066
Electricity Charges	--	739162
Statutory Fees A/C	--	15000
	<u>4806904</u>	<u>3132162</u>

PRAKASH SOLVENT EXTRACTIONS LIMITED

SCHEDULE - L

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st March 2011.

1. Statement of Significant Accounting Policies

- a. Basis of accounting: The accounts of company are prepared under historical cost convention and in accordance with applicable accounting standards except where otherwise stated. Accounting policies not specifically referred to are consistent with generally accepted accounting practices. Revenue / Income and Costs and Expenditure are generally accounted on accrual basis, as they are earned or incurred.
- b. Fixed Assets and Depreciation:
 - i. All the fixed assets purchased are stated at cost of acquisition except in case of those assets, which are revalued.
 - ii. Depreciation: Depreciation of other assets is provided on "Written down value Method ", at the rates prescribed by Schedule XIV to the Companies Act, 1956.
- c. Sundry Debtors/Loans and Advances: are stated net of provision for identified doubtful debts/advances.
- d. Revenue Recognition: Sales Receipts is recognized on the basis of deliveries made.
- e. Retirement Benefits:
 - i. The retirement benefit in the form of Provident Fund and Pension Schemes, whether in pursuance of any law or otherwise, is accounted on accrual basis and charged to the profit and loss account of the year.
 - ii. Payment for present liability of future payment of gratuity is made on actual basis.

2. Contingent liability: NIL (Previous year - NIL)

3. Payment to Auditors include Auditors' remuneration as follows:

	Last Year	Current Year
a) Audit Fee	10,000	10,000

4. Other additional Quantitative information pursuant to Para 3,4-C , and 4-D of part - II of Schedule VI of the Companies Act, 1956 is as follows :

a. Licensed Capacity :

	Previous year	Current year
Licensed capacity	Not Applicable	Not Applicable
Installed Capacity	30,000 m.t.	30,000 m.t.
Actual Production – in M.T.	NIL	1117 M.T

*(-Including Job work of nil - previous year NIL)

c. Turnover :

	Current Year		Previous Year	
	Quantity -M.T.	Amount	Quantity - M.T.	Amount
Rice Bran Extraction				Nil
Trading activity				NIL
Rice bran trading	4000	31342271	5762 M.T.	37714049
Rapeseed Ext.	NIL	NIL	169 m.t.	980870
Rapeseed Oil	NIL	NIL	NIL	NIL
Rice bran Oil	NIL	NIL	279	8907361
Rice bran extraction	NIL	NIL	NIL	NIL
Total		31342271		47602280
Less Sales Tax		Nil		Nil
Net		31342271		47602280

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e. Opening and Closing Stock of Goods Produced :

	Current Year		Previous Year	
	Quantity	Amount	Quantity	Amount
Opening Stock				
Rapeseed Ext.	951 MT	9510050	925 MT	8545698
Rapeseed Oil	16 MT	547575	--- MT	---
Rapeseed Cake	-- MT	----	--- MT	---
Hexene Miscella	13 KL	450580	14 KL	367926
Rice Bran	-- MT	----	209 MT	1377933
Ricebran Extraction	29 MT	158620	157 MT	706950
Ricebran Oil	MT	----	162 MT	4845000
Fuel	MT	----	135 MT	197177
		-----		-----
Total		<u>10666825</u>		<u>16040684</u>
Closing Stock				
Rapeseed Extraction	938 MT	9384450	951 MT	9510050
Rapeseed Oil	16MT	547575	16 MT	547575
Rapeseed Cake	--- MT	---	--- MT	---
Ricebran	--- MT	---	--- MT	---
Ricebran Oil	---	MT ----	--- MT	---
Ricebran Ext.	--- MT	----	29 MT	158620
Hexene Miscella	13 KL	450580	13 KL	450580
Fuel	--- MT	----	--- MT	---
Total		<u>10382605</u>		<u>10666825</u>

5. Prior period adjustments, if any, having impact on the financial affairs of the Company are disclosed.
6. The Company does not expect taxable income for the previous year (i.e. 1.4.2010 to 31.3.2011) relevant to the assessment year 2011-2012.
7. Details for Value of Imported and Indigenous Raw materials and spare parts and components consumed and % thereof is not included as the same is not applicable.
8. Expenditure in Foreign currency during the financial year on account of Royalty, Know how fees, professional and consultation fees, interest and other matters is NIL (previous year Nil)
9. The amount remitted during the year in Foreign currency on account of :
 - a. Dividend NIL (previous year NIL)
 - b. No. of Non Resident Shareholders NIL (Previous year NIL)
10. Previous year's figures have been shown regrouped / rearranged, where considered necessary.
11. Earnings in foreign Currency :
 - a. Exports of goods calculated on F.O.B. basis - Rs. NIL (Previous year NIL).
 - b. Royalty ,Know how , professional fees and Consultation fees - NIL (Previous year NIL).
 - c. Interest and Dividend - NIL (Previous year NIL)
 - d. Other Income - NIL (Previous year NIL)

PRAKASH SOLVENT EXTRACTIONS LIMITED

12. Expenditure incurred on employees who were in receipt of remuneration in the aggregate of not less than Rs.24,00,000/- per annum, if employed throughout the year or Rs.2,00,000/- per month, if employed for less than 12 months.

	Employed for full period	Employed for part of the period
No. of employees	NIL	NIL

13. Remuneration payable to the Directors include:

Items	Previous Year	Current year
a. Salaries	1,68,000	2,16,000

14. In the opinion of the Board of Directors, the Current assets are approximately are of the value stated , if realised in the ordinary course of the business.
15. The balance on all personal accounts is subject to confirmation by the parties and reconciliation, if any.
16. Accounting Standard - 22 "Accounting for Taxes on Income" is not applied in the case of company, since it does not have reasonable certainty of sufficient future taxable income. The company has carried forward losses in the past years and the accounting standard if applied will translate into Deferred Tax Assets.

In terms of our report of even date attached

For Ajay B Garg
Chartered Accountant

Ajay Garg.

Mumbai

Date : 12th August 2011.

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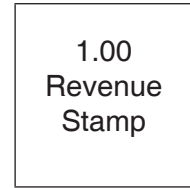
BALANCE SHEET EXTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS	
	Registration No.	11-60170
	State Code	11
	Balance Sheet date	31 ST March 2011
II	CAPITAL RAISED DURING THE YEAR	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus	Nil
	Private Placement	Nil
III.	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS Rs in Lakhs	
	Total Liabilities	299.16 Lakhs
	Total Assets	299.16 Lakhs
a.	Sources of Funds	
	Paid up Capital	260.47
	Reserves and Surplus	18.98
	Secured Loan	7.21
	Unsecured Loan	12.49
b.	Application of Funds	
	Net fixed assets	24.14
	Investments	Nil
	Net Current Assets	149.92
	Misc.Expenditure	86.26
IV.	PERFORMANCE OF THE COMPANY	
	Turnover	333.65
	Total Expenditure	331.14
	Profit	2.56
	Earning per share	Rs. 0.08 per share
	Dividend Rate %	Nil
V.	GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICE OF THE COMPANY :	
	Product Description	Item Code
	Deoiled Cake	15.15
	Rice Bran Oil	15.15
	Castor Oil	15.15

PRAKASH SOLVENT EXTRACTION LTD
307, NEW ANANT BHUVAN 257/265 NARSI NATHA STREET, MUMBAI – 400 009

PROXY FORM

I/We _____
of _____ in the district of _____ being a Member/Members of the above named
Company hereby appoint _____ in the district of _____ failing him _____ of
_____ in the district of _____ my/our Proxy to vote for me/us on my/our behalf at the 19th ANNUAL
GENERAL MEETING of the company, to be held on the 30th SEPTEMBER 2011 at any adjournment thereof.



Signature of Share Holder

Signed This _____ Day of _____ 2011

Folio No. _____

No. of Shares _____

Note:

- 1). A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself. The Proxy need not be a Member of Company.
- 2). The Proxy form duly completed should be deposited at the Registered Office of the company at least 48 Hours before the Meeting.

PRAKASH SOLVENT EXTRACTION LTD
307, NEW ANANT BHUVAN 257/265 NARSI NATHA STREET, MUMBAI – 400 009

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and handover at the entrance of the Meeting Place.

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company held at 402, Makhija Arcade, 35th Road, Khar – (W) Mumbai – 52 on FRIDAY **30th September 2011** at 11.00 a.m.

Full Name of the Share Holder
(IN BLOCK LETTERS)

Signature of the Share Holder

Folio No: _____

Full Name of Proxy (IN BLOCK LETTERS)

Signature of Proxy

BOOK POST

If undelivered, please return to:

PRAKASH SOLVENT EXTRACTION LTD.

307, New Anant Bhuvan,
257/265 Narsi Natha Street,
Mumbai – 400 009