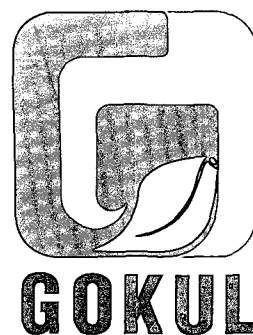
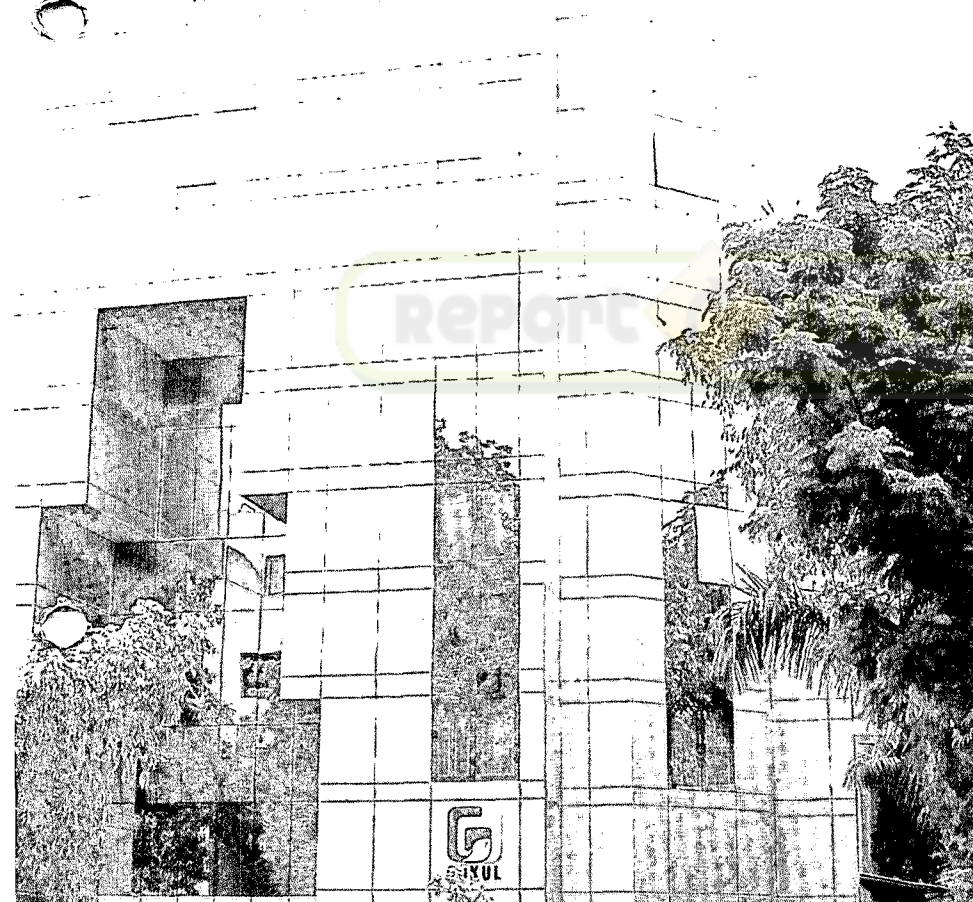
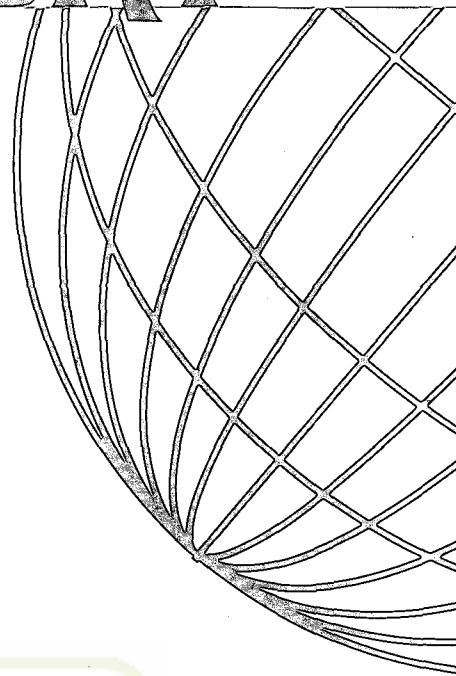
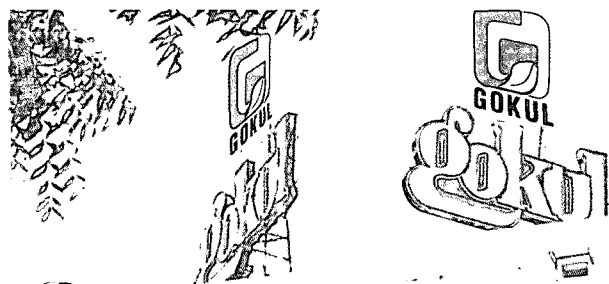


14TH

ANNUAL REPORT

2006-2007



CORPORATE OFFICE :

"GOKUL HOUSE", 43-Shreemali Society,
Opp. Shikhar Building, Navrangpura,
Ahmedabad - 380 009.

Phone : (G) +91-79-66304555, 66304548,
Fax : +91-79-66304543

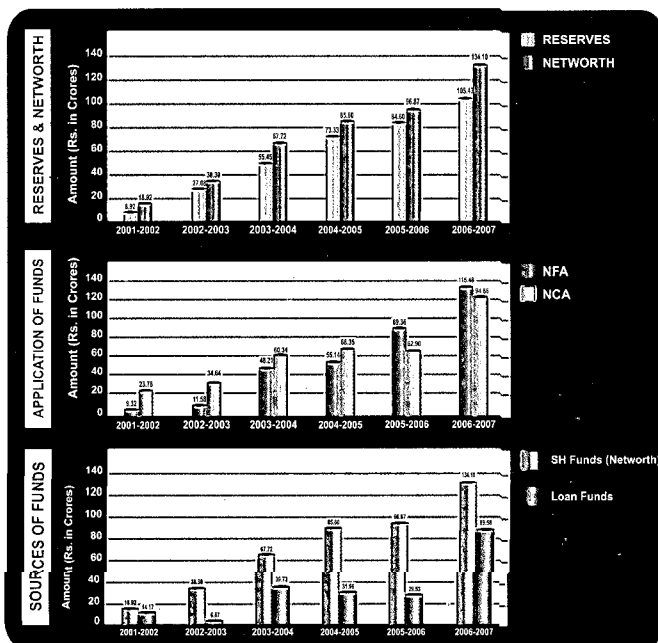
GOKUL REFOILS AND SOLVENT LTD.

KEY FINANCIAL HIGHLIGHTS

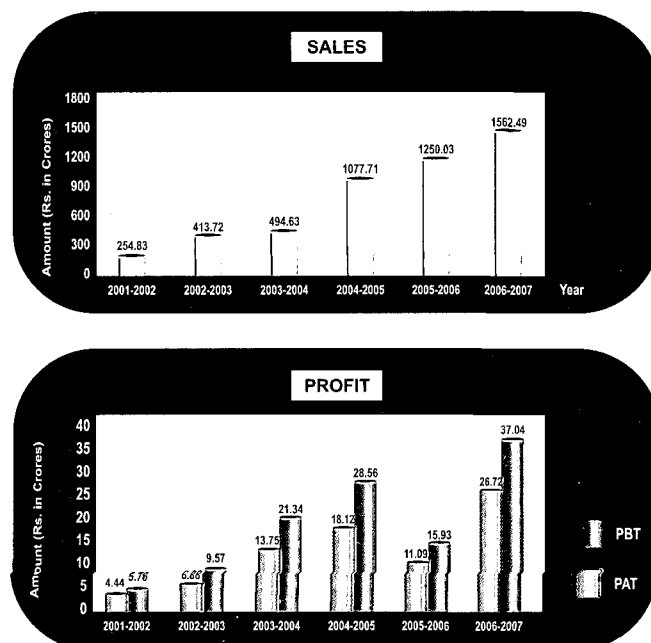
Rs. in Crores

SR. NO.	PARTICULARS	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
1	SALES	254.83	413.72	494.63	1077.71	1250.03	1562.49
2	PROFIT BEFORE TAX (PBT)	5.76	9.57	21.34	28.56	15.93	37.04
3	PROFIT AFTER TAX (PAT)	4.44	6.88	13.75	18.12	11.09	26.72
4	DEPRECIATION	0.91	1.06	1.39	4.95	6.12	8.3
5	CASH ACCRUALS	5.35	7.94	17.23	29.45	23.54	33.10
6	SHARE CAPITAL	10.00	11.22	12.27	12.27	12.27	18.41
7	RESERVES & SURPLUS	8.92	27.09	55.45	73.33	84.60	105.43
8	TNW	18.92	38.31	67.72	85.60	96.87	134.10
9	TOL	41.81	46.28	101.00	198.23	184.52	323.41
10	TOTAL CAPITAL EMPLOYED	33.1	46.21	108.55	123.96	132.73	223.68
11	FIXED ASSETS (NET BLOCK)	9.32	11.58	48.21	55.14	69.36	115.48
12	NET CURRENT ASSETS	23.78	34.64	60.34	68.35	62.90	94.86
13	IMPORTANT RATIOS						
	A. PAT / SALES	1.75	1.66	2.78	1.68	0.89	1.71
	B. CURRENT RATIO	1.35	1.87	1.90	1.41	1.41	1.41
	C. DEBT - EQUITY RATIO	0.19	0.17	0.57	0.37	0.30	0.72
	D. TOL / TNW	2.20	1.20	1.49	2.32	1.92	2.41

Sources & use of Funds



Performance



14TH ANNUAL REPORT**BOARD OF DIRECTORS**

BALVANTSINH C RAJPUT Chairman & Managing Director	KANUBHAI J THAKKAR Managing Director
DINESH H SHARMA Wholetime Director	JASHODABEN J THAKKAR Director
BHIKHIBEN B RAJPUT Director	MANJULABEN K THAKKAR Director

AUDIT COMMITTEE

DINESH H SHARMA
BHIKHIBEN B RAJPUT
MANJULABEN K THAKKAR

AUDITORS**M R PANDHI & ASSOCIATES****Chartered Accountants**

101, Panchdeep Complex, Near Mithakhali Six Cross Roads,
Ahmedabad 380 009

COMPANY SECRETARY

MANISH P KELLA

BANKERS

STATE BANK OF INDIA
PUNJAB NATIONAL BANK
DEVELOPMENT CREDIT BANK LTD
CENTRAL BANK OF INDIA
BANK OF MAHARASHTRA
STATE BANK OF INDORE
STATE BANK OF TRAVANCORE
UNION BANK OF INDIA
DENA BANK

REGISTERED OFFICE & PLANT

NR. SUJANPUR PATIA, S.H.NO. 41,
SIDHPUR 384151 (N.G)

GANDHIDHAM UNIT

89, MEGHPAR- BORICHI,
Galpadar Road, Nr.Sharma Resort,
Ta : Anjar, Dist Kutch 370 110

SURAT UNIT

Block No. 253A, (S.No. 502), At. : Navi Pardi, Ta : Kamrej, Dist

CORPORATE OFFICE

"GOKUL HOUSE", 43 SHREEMALI CO-OP HSG. SOCIETY .LTD
Opp. Shikhar Building, Navrangpura, Ahmedabad 380 009.

C O N T E N T S

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GOKUL REFOILS & SOLVENT LTD.

GOKUL REFOILS & SOLVENT LIMITED

Registered office: Near. Sujanpurpatia, S. H. No. 41, Sidhpur - 384151 (N.G.)

NOTICE

To,
ALL MEMBERS / SHAREHOLDERS

NOTICE is hereby given that the **14th ANNUAL GENERAL MEETING** of the Company will be held on Wednesday 1st day of August, 2007 at 11.00 A.M. at the Registered Office of the Company, State Highway No 41, NR. SUJANPUR PATIA, SIDHPUR – 384151 NORTH GUJARAT, to transact / conduct the following business.

ORDINARY BUSINESS

- (1) To receive & adopt the Profit & Loss Account for the year ended on 31st March 2007 and the Balance Sheet as at that date and the Director's Report and Auditor's Report thereon.
- (2) To appoint a Director in place of **Smt Jashodaben J. Thakkar**, who retires by rotation and being eligible, offers herself for re-appointment.
- (3) To appoint **M/s M. R. PANDHI & ASSOCIATES**, as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual Meeting and to fix their remuneration.

SPECIAL BUSINESS

- (4) To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT in modification of the resolution passed by the Company pursuant to the provisions of section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company in terms of the aforesaid section of the Act be and the same is hereby accorded to the Board of Directors of the Company (the Board) borrowing secured by way of mortgage of all fixed assets of the Company (present and future) from time to time for the purpose of the Company's business any sum of sums of money as it deem proper notwithstanding that the monies to be so borrowed together with monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, if any, that is to say, reserves not set apart for any specific purpose provided that the total amount of the monies to be so borrowed by the Board together with monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.1000 crores (Rupees One Thousand Crores) outstanding at any point of time".

- (5) To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging all or any of the movable and/or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or as may be obtained from any Bank, Financial Institution or Person or Persons including securing those facilities which have already been sanctioned, including any enhancement therein, by the present lenders lead by State Bank of India, (SBI Consortium), State Bank of India, (SBI), Punjab National Bank (PNB), State Bank of Travancore (SBT), Union Bank Of India & Development Credit Bank Ltd. (DCB) together with interest, costs, charges, expenses and any other moneys payable by the Company and that the Board of Directors is further authorised to create floating charge on the Company's current assets, present and future, in favour of Banks, Financial Institution or Person or Persons who may provide such credit facilities to the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for mortgaging and/or charging the properties of the Company and for giving effect to the aforesaid resolution."

14TH ANNUAL REPORT



(6) To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT as per the provisions of sections 198, 269, 302, 309 and 311 and other applicable provisions, if any, of the Companies Act, 1956 and read with Schedule XIII (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of members at the 14th Annual General Meeting, Shri Balvantsinh C Rajput, be and is hereby re-appointed at an altered terms and conditions as the Managing Director of the Company for a period of Five years w.e.f. 1st September, 2007 on the terms and conditions as mentioned in the draft agreement placed before the meeting duly initiated by the Chairman for the purpose of identification".

RESOLVED FURTHER THAT the remuneration, benefits and perquisites as fixed by the Board be paid to Shri Balvantsinh C Rajput, as minimum remuneration notwithstanding the absence or inadequacy of profit in the financial year, during the term of his office as Managing Director of the Company."

"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation of the Managing Director provided such variation is in accordance with the provisions in part II of Schedule XIII to the Companies Act, 1956 and/or provisions of law as may be applicable thereto from time to time."

(7) To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT as per the provisions of sections 198, 269, 302, 309 and 311 and other applicable provisions, if any, of the Companies Act, 1956 and read with Schedule XIII (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of members at the 14th Annual General Meeting, Shri Kanubhai J Thakker, be and is hereby re-appointed at an altered terms and conditions as the Managing Director of the Company for a period of Five years w.e.f. 1st September, 2007 on the terms and conditions as mentioned in the draft agreement placed before the meeting duly initiated by the Chairman for the purpose of identification".

"RESOLVED FURTHER THAT the remuneration, benefits and perquisites as fixed by the Board be paid to Shri Kanubhai J Thakker, as minimum remuneration notwithstanding the absence or inadequacy of profit in the financial year, during the term of his office as Managing Director of the Company."

"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation of the Managing Director provided such variation is in accordance with the provisions in part II of Schedule XIII to the Companies Act, 1956 and/or provisions of law as may be applicable thereto from time to time."

BY ORDER OF THE BOARD

PLACE : SIDHPUR

DATE : 15th June, 2007

DINESH H SHARMA

WHOLETIME DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A PROXY IN ORDER TO VALID SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS OF THE TIME OF THE ANNUAL GENERAL MEETING OF THE COMPANY.
3. AN EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IS ENCLOSED HERewith.
4. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM THURSDAY 20TH JULY TO 1ST AUGUST 2007.



GOKUL REFOILS & SOLVENT LTD.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT (Pursuant to Section 173 (2) of the Companies Act, 1956)

Item no 4

At the General Meeting held on 31.08.2006, the Board of Directors of the Company (the board) was authorised to borrow monies from time to time up to Rs.600 crores. The Board considers that the said limit is not sufficient to meet the future financial requirements of the Company. During the current financial year, Company commenced its operation of its expanded capacities at its existing Sidhpur unit. The Company is in process of setting up a Soyabean Processing Plant for which it requires adequate funds for Term Loan and working capital requirement and regular operation . In order to borrow the funds Board should have sufficient borrowing powers above the existing limit of Board's powers for borrowings be increased to Rs.1000 crores (Rupees One Thousand Crores). The ordinary resolution being item no 4 set out in the Notice convening the meeting is intended to modify the aforementioned resolution so that the Board may be empowered to borrow monies as and when considered necessary by the Company subject, however, to the limit specified therein.

In view of the aforesaid provisions, you are requested to grant your consent to the resolution as set out at item No.4 of the accompanying notice.

None of the Directors of the Company is in, any way, concerned or interested in the said resolution.

Item no 5

Pursuant to the provision of Section 293 (1) (a) of the Companies Act, 1956, a company can not sell, lease, charge or otherwise dispose of the whole or substantially the whole of the undertaking or undertakings of the company without the consent of members in general meeting.

The Company is availing non-fund based working capital facilities from various banks under consortium arrangement lead by State Bank of India and Term loans from State Bank of India (SBI) & Punjab National Bank (PNB), State Bank of Travancore (SBT), Union Bank of India (UBOI) & State Bank of India (SBI) and Development Credit Bank Ltd. (DCB). The Company may be required to avail other financial assistance (s) over and above the present financial assistance from the Bank(s) and / or Financial Institutions and accordingly, may be required to further mortgage / charge its properties and or extend the properties already charged to secure other assistance including securing the present facilities sanctioned and being availed. Since the creation of the charge tantamount to otherwise disposing of the undertakings of the Company it shall be necessary to pass an ordinary resolution under section 293 (1) (a) of the companies Act, 1956.

In view of the aforesaid provisions, you are requested to grant your consent to the resolution as set out at item No.5 of the accompanying notice.

None of the Directors of the Company is in, any way, concerned or interested in the said resolution.

Item no(s) 6 & 7

Shri Balvantsinh C. Rajput, was reappointed as Managing Director from 1st April, 2005 for the tenure of 5 years by passing an Ordinary Resolution in 12th Annual General Meeting of the Company held on 30/06/2005. Shri Kanubhai J. Thakkar, has been associated with the Company since its inception and is working as a Managing Director of the Company. He was reappointed as Managing Director from 1st March, 2004 for further tenure of 5 years.

Under the able leadership and guidance of Shri Balvantsinh C Rajput, & Shri Kanubhai J. Thakker the Company has achieved turnover of Rs. 1091.56 crores in the year 2004-05 and in Rs. 1254.29 crores in the year 2005-06. The Company's business has grown to Rs. 1550 crores in the year 2006-07. The net profit after tax of the Company has also increased from Rs.1108.99 lacs in the year 2005-06 to Rs. 2671.51 lacs in the year 2006-07. As the Company grows, the people behind the growth must also grow. The existing remuneration of Rs. 25 lacs per annum therefore needs upward revision. For revising the terms it is necessary to modify the existing arrangement and terms. Shri Balvantsinh C Rajput & Kanubhai J. Thakker will be paid Rs. 60,00,000/- (Rupee Sixty Lacs) per month including salary all other perquisites. Over and above, Managing Director will be entitled for maximum 1% commission on net profits as calculated in the manner set out in section 349 & 350 of the Companies Act, 1956.

None of the Directors of the Company except Shri Balvantsinh C Rajput, & Shri Kanubhai J. Thakker may be deemed to be concerned or interested in the said resolutions.

BY ORDER OF THE BOARD

PLACE : SIDHPUR
DATE : 15th June, 2007

DINESH H SHARMA
WHOLETIME DIRECTOR

14TH ANNUAL REPORT**GOKUL REFOILS & SOLVENT LIMITED**

Registered office: Near. Sujanpurpatia, S. H. No. 41, Sidhpur - 384151 (N.G.)

DIRECTORS' REPORT

To,

The Members of,
GOKUL REFOILS & SOLVENT LIMITED
SIDHPUR.

Dear Shareholder,

Your Directors have pleasure in presenting the **14th ANNUAL REPORT** on the affairs of the Company together with the audited Balance Sheet as at 31st March'2007 and Profit & Loss Account for the year ended 31st March'2007.

FINANCIAL RESULTS

PARTICULARS	Rs. In Lacs	
	FOR THE YEAR ENDED ON 31/03/2007	FOR THE YEAR ENDED ON 31/03/2006
Sales and Other Income	157242	126153
Profit before Depreciation, Interest & Taxation	7018	3757
Profit before Taxation	3704	1593
Net Profit for the year	2671	1101
Balance brought forward	5716	4614
Balance carried forward to next year	8387	5716

During the year under report the company has achieved turnover of Rs. 156246 lacs in comparison of previous year Rs.125004 lacs which shows a growth of about 25 %. The profit after tax has increased to Rs. 2671 lacs as compared to Rs.1101 lacs in

DIVIDEND

In order to conserve resources for ongoing expansion and growth, your directors do not recommend any dividend for the year.

EXPANSION

During the year under review the Company has completed expansion cum modernization of Sidhpur plant. The Company has also installed wind turbine generator of 5.00 MW in Kutch district at a cost of 24.14 crores. The Company has also purchased refinery at Kamrej Dist. Surat. The Surat unit will cater to the South Gujarat and Mumbai market.

The Company has also decided to set up a 1500 TPD Soyabean Processing Plant at Village Meghpur Borichi, Tal. Anjar, adjoining to the existing refinery. The Soybean plant will increase the export of the Company and will provide oil for the refinery.

OVERVIEW OF OPERATION & FUTURE OUTLOOK

The Company continued its growth in sales as well as profitability in the financial year 2006-07 across all the areas. This was achieved through improved plant performance, cost optimization, customer focus and prudent forex and financial management.

In line with the initiative to increase market share in consumer packs, the Company has made an impressive beginning on a brand building initiative. The Company will continue to focus on its core business with more concentration on retail segment products.

BONUS SHARES

Pursuant to the resolution passed by the members at the Extra Ordinary General Meeting of the Company held on 17th March, 2007 approving the issue and allotment of Bonus Shares in the ratio of 1 : 2, allotment of 61,13,750 Equity shares of Rs. 10/- each of the Company was made in 28th March, 2007. This resulted in paid up equity shares of the Company increasing from Rs.12,22,75,000 to Rs. 18,34,12,500/- consisting of 1,83,41,250 Equity Shares of Rs. 10/- each.



GOKUL REFOILS & SOLVENT LTD.

FIXED DEPOSITS

The Company has not accepted any deposits from public.

DISCLOSURE

As required under section 217(1) & 217(2) of the company act, 1956 read with the company Disclosure of Particulars in the report of Director Rules 1988 the relevant information with respect to conservation of energy, technology absorption and foreign exchange earning/out go have been provided elsewhere in the report;

The boards of directors inform the members that during the financial year there have been no:-

- Change in the nature of the company's business.
- Change generally in the classes of business in which the company has an interest.

SUBSIDIARY COMPANY

In line with section 212 of the Companies Act, 1956 the audited statements of accounts along with the report of the Board of Directors and the auditors Report of the Maurigo International Ltd is annexed herewith.

The Company has acquired by purchase one ordinary share (Consisting 100% Share Capital) in a Singapore based Company viz, Maurigo Pte Ltd. The Consideration is one Singapore Dollar equivalent to Rs. 27.49/-. The said Company has become a Wholly Owned Subsidiary of your Company. Up to 31st March, 2007 there was no business or other transaction in the said subsidiary, hence the accounts of the subsidiary are not approved.

DIRECTORS

Smt. Jashodaben J. Thakkar , director of the company retires from the office by rotation at the ensuing annual General Meeting and being eligible offers herself for reappointment.

AUDITORS

You are requested to re-appoint M/s. M.R. PANDHI & ASSOCIATES., Chartered Accountants, Ahmedabad to hold office from conclusion of this Annual General Meeting to conclusion of next Annual General Meeting and fix their remuneration.

Observations of auditors are self explanatory. The company has been consistently following the method and it does not have any effect on profit or loss.

PARTICULARS OF EMPLOYEES

The required particulars in terms of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is given herein below :

Employed throughout the financial year and were in receipt of remuneration in aggregate not less than Rs.24,00,000 per annum or Rs.2,00,000 per month.

Sr.No.	Name / Designation	Age (years)	Remuneration (Rs.)	(a) Qualification (b) Experience (years) (c) Date of Commencement of employment	Particulars of Last Employment
1	Shri Balvantsinh C Rajput Chairman and Managing Director	45	Rs.25,00,000/-	Matriculate 23 years 29-12-1992	N.A
2	Shri Kanubhai J Thakkar Managing Director	45	Rs.25,00,000/-	Matriculate 23 years 29-12-1992	N.A

DIRECTORS' RESPONSIBILITY STATEMENT

The board of directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- that the selected accounting policies were applied consistently and the director 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 as at March 31, 2007 and of the profit of the Company for the year ended on that date;

14TH ANNUAL REPORT



- [3] that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- [4] that the annual accounts have been prepared on a going concern basis.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been proactively discharging its social responsibilities in the area of Health and Education through Bahuchar Janseva Trust, a charitable trust which runs 50 bed hospital and library in sidhpur. Your Company has been supporting this trust since its incorporation.

ENVIRONMENT, SAFETY & CONSERVATION OF ENERGY

Company has taken necessary safety measure. The machineries and electrical instruments are selected keeping in view the conservation of electricity. The company has taken all steps to conserve environment. The relevant data pertaining to Conservation of Energy is given in prescribed format as Annexure A to this report.

FOREIGN EXCHANGE EARNINGS & OUT GO

The detail is given in schedule of notes on accounts.

ACKNOWLEDGEMENT

Your Director place on record their appreciation for the contributions made by the employees at all level enabling the company to achieve the performance during the year under review.

Your director also appreciates the valuable co-operation and continued support extended by company's banker.

Place : Sidhpur

For & on Behalf of the Board

Date : 15th June, 2007

(B.C.RAJPUT)
CHAIRMAN

Annexure

FORM "A"

Form for the disclosure of particulars with respect to Conservation of Energy

(A) POWER & FUEL CONSUMPTION:-	2006-2007	2005-2006
1. Electricity:-		
(a) Purchased Units (lacs)	168.78	105.88
Total Cost (Rs in lacs)	822.23	480.78
Rate / Unit (Rs.)	4.87	4.54
(b) Generation through captive power facilities : (60 Generation)		
Through Steam Turbine / Generator Units (Lacs)	38.88	42.79
KWH per unit of fuel	0.14	0.20
Fuel Cost / Unit (Rs.)	2.77	2.30
(c) Own Generation:-		
(1) Through Diesel Generator Units (lacs)	3.57	1.24
KWH per unit of fuel	3.69	3.95
Fuel Cost / Unit (Rs.)	8.59	8.75
(2) Through wind mill effective unit generated (Lacs)	24.97	-
KWH per unit of fuel	-	-
Fuel Cost / Unit (Rs.)	-	-
Purchased Fuel consumed		
2. Coal		
Quantities (Ton)	39,096.68	8,076.60
Total Cost (Rs. In lacs)	546.83	120.33
Average Cost per ton	1,398.66	1,490.00
3. Diesel Oil		
Quantity (k.Ltr.)	1,264.07	839.00
Total Cost (Rs. in lacs)	234.36	227.00
Average rate per ltr. (Rs.)	18.54	27.04