

**Company Information**
**Board of Directors**

Mr Balvantsinh C Rajput	-	Chairman & Managing Director
Mr Kanubhai J Thakkar	-	Managing Director
Mr Dinesh H Sharma	-	Whole-time Director
Mr PiyushChandra R Vyas	-	Independent Director
Dr Dipuba H Devada	-	Independent Director
Dr Rashid Ali Khan	-	Independent Director

**Board Committees**
**Audit Committee**

Mr Piyushchandra R Vyas (w.e.f. 12/9/2007)	-	Chairman
Dr Dipuba H Devada (w.e.f. 12/9/2007)	-	Member
Mr Dinesh H Sharma	-	Member
Mrs Bhikhiben B Rajput	-	Member (till 10/8/2007)
Mrs Manjulaben K Thakkar	-	Member (till 10/8/2007)

**Shareholders /Investors Grievances Committee**

Dr Rashid Ali Khan	-	Chairman
Mr PiyushChandra R Vyas	-	Member
Dr Dipuba H Devada	-	Member
Mr Kanuhai J Thakkar	-	Member

**Remuneration Committee**

Dr Dipuba H Devada	-	Chairman
Dr Rashid Ali Khan	-	Member
Mr Piyushchandra R Vyas	-	Member

**Auditors**

M R Pandhi & Associates,  
Chartered Accountants  
101, Panchdeep Complex,  
Nr. Mithakhali Six Roads,  
Navrangpura, Ahmedabad -380 009

**Company Secretary & Compliance Officer**

Manish P. Kella

**Bankers**

State Bank of India  
Punjab National Bank  
Development Credit Bank Ltd  
Central Bank of India  
Bank of Maharastra  
State Bank of Indore  
State Bank of Travancore  
Dena Bank  
Union Bank of India  
HDFC Bank Limited  
Bank of India  
Allahabad Bank

**Registered office**

State Highway No. 41,  
Nr. Sujanpur Patia, Sidhpur -384 151,  
Gujarat. India

**Corporate office**

"Gokul House" 43, Shreemali Co. Op  
Housing Society limited,  
Opp. Shikhar Building,  
Navrangpura, Ahmedabad 380 009.

**Gandhidham Unit**

89, Meghpar-Borichi, Galpadar Road,  
Nr. Sharma Resort, Taluka Anjar,  
District Kutch- 370 110, Gujarat India.

**Surat Unit**

N.H No. 8, Near Kamrej Sugar Factory,  
At Navi Pardi, Tal: Kamrej, Dist. Surat, Gujarat

**Registrar & Transfer Agents**

Intime Spectrum Registry Limited,  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup(W). Mumbai -400 078.

## NOTICE

**NOTICE** is hereby given that the **15th ANNUAL GENERAL MEETING** of the Company will be held on Saturday, 13<sup>th</sup> September, 2008 at 11.00 A.M. at the Registered Office of the Company at State Highway No 41, NR. SUJANPUR PATIA, SIDHPUR – 384151 NORTH GUJARAT, to Transact / Conduct the following businesses.

### ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited balance sheet as at 31<sup>st</sup> March, 2008 and the Profit & Loss Account for the year ended on that date together with the Director's Report and Auditor's Report thereon.
- (2) To appoint a Director in place of Dr. Dipuba H Devada, who retires by rotation and being eligible, offers herself for re-appointment.
- (3) To appoint M/s. M. R. Pandhi & Associates, Chartered Accountants as statutory auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company 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** pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Karansinhji Mahida, be and is hereby elected as a Non-Executive Independent Director of the Company."

- (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, 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."

**By Order of the Board**

**PLACE : Ahmedabad**

**DATE : 23/06/2008**

**Manish P. Kella**  
**Company Secretary**

### 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. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorising there representative to attend and vote on their behalf at the meeting.

4. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
5. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is enclosed herewith.
6. The register of members and share transfer books of the company will remain closed from 9th September, 2008 to 13th September, 2008 (Both days inclusive)
7. Members are requested to bring their Attendance Slip along with the copy of Annual Report to the Meeting.
8. Members desirous to asking any questions at the annual general meeting are requested to send their questions to the Company's registered office atleast 7 days before the Annual General Meeting so that the same can be suitably replied to.

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT**

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

**Item no 4**

In order to broad base the Board, the Company proposes to appoint Mr. Karansinhji Mahida as Non-Executive Independent Director. Notice has been received from member pursuant to Section 257 of Companies Act together with the necessary deposits of Rs. 500/- proposing the appointment of Mr. Karansinhji Mahida to the Board of Directors.

None of the Directors is concerned or interested in this resolution. The Board commends the resolution at item No. 4 for approval of members.

**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 has been granted various fund based/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) and State Bank of India, Allahabad Bank and HDFC Bank. 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.

**By Order of the Board**

**PLACE : Ahmedabad**  
**DATE : 23/06/2008**

**Manish P. Kella**  
**Company Secretary**

## GOKUL REFOILS AND SOLVENT LIMITED

### Details of Directors seeking Appointment /Re-Appointment at the forthcoming Annual General Meeting [Pursuant to Clause 49 of the Listing Agreement]

Name of director	Dr. Dipuba H Devada	Mr. Karansinhji D. Mahida
Date of birth	14/10/1960	06/10/1948
Date of appointment	06/09/2007	–
Qualification	M.Sc.(Statistics) M.Ed. & Ph.D.	B.A. LLB (Special)
Expertise in specific functional area	Presently the Principal of Dada Dukhayal College of Education. Gujarat  <b>Life Member of</b> All India Association of Educational Research.Gujarat Ganit Mandal and Gujarat Statistical Association.	Retired additional Secretary to Government of Gujarat
Directorship in other Indian public limited companies as on 31/03/2008	None	None
Chairmanship / Membership of committees in other Indian public limited companies as on 31/03/2008	None	None

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By Order of the Board

PLACE : Ahmedabad  
DATE : 23/06/2008

Manish P. Kella  
Company Secretary

**DIRECTORS' REPORT**

**Dear Stakeholders,**

Your Directors are pleased to present the 15<sup>th</sup> ANNUAL REPORT on the affairs of the Company together with the audited Balance Sheet as on 31<sup>st</sup> March' 2008 and Profit & Loss Account for the year ended 31<sup>st</sup> March' 2008.

**FINANCIAL RESULTS**
**(Rs. In Lakhs)**

Sr. No.	Particulars	31.3.2008	31.3.2007
1.	Gross Turnover And Operating Income	<b>205152.81</b>	156356.65
2.	Net Turnover	<b>205074.60</b>	156249.12
3.	Other Income	<b>593.74</b>	457.00
4.	Total Revenue	<b>205668.34</b>	156706.12
5.	Profit before interest, Depreciation, Miscellaneous Expenditure written off and Taxation (EBIDTA)	<b>13515.40</b>	6482.51
6.	Interest and Financial Cost	<b>4172.56</b>	1948.75
7.	Depreciation and Miscellaneous Expenditure WRITTEN OFF	<b>1222.18</b>	830.14
8.	Profit before Taxation (PBT)	<b>8196.87</b>	3703.62
9.	Tax including Deferred Tax and Fringe Benefit Tax	<b>2700.92</b>	1032.10
10.	Profit after Taxation (PAT)	<b>5495.94</b>	2671.52
11.	Profit brought forward from the Previous Year	<b>8387.34</b>	5715.82
12.	Balance carried to Balance Sheet	<b>13880.11</b>	8387.34

**Operations Overview**

During the year under review, the Company has posted an impressive performance.

On standalone basis, the Company has achieved turnover of Rs. 205074.60 lacs in comparison of previous year Rs. 156249.12 lacs which shows a growth of about 31%. The net profit after tax has increased to Rs. 5495.94 lacs as compared to Rs. 2671.52 lacs in the previous year registering a growth of 105.70%.

On a Consolidated basis, the Turnover, EBIDTA and PAT of the Company are Rs. 205074.60 lacs Rs. 13515.40 lacs and Rs. 5495.94 lacs respectively.

**DIVIDEND**

In order to conserve the resources as committed for meeting with the expenses envisaged for the new projects and ongoing expansion and for future growth, your Directors do not recommend any dividend for the year under review.

**STATUS OF THE NEW PROJECTS & EXPANSION OF EXISTING PROJECTS**
**a) Completion of 1500 TPD Soyabean processing plant near Gandhidham, Gujarat**

Your Company has set up a Soyabean processing plant having an installed capacity of 1500 tons per day (TPD) and the plant became operational during the year under review.

**b) Expansion of edible oil refinery from 100 TPD to 400TPD**

The Surat unit is also proposed to be expanded from 100 TPD refining capacity of the plant to 400 TPD.

**c) Setting up of a 1000TPD refinery at Haldia**

In keeping with its vision of becoming a truly national player and leader in edible oil sector the Company has decided to set up a state-of-the art edible oil refinery at Haldia in West Bengal. The Company has already acquired leasehold land from the "Haldia Development Authority. The Company has placed orders for major plant and machineries. The total capital cost for this project is estimated at Rs.140 crores. And the same would be met partly through term loans from banks and partly from internal cash accruals..

**PREFERENTIAL ALLOTMENT**

Your Company has made preferential allotments for 8,08,108 Equity shares of Rs. 10 each at a premium of Rs. 175 each amounting to Rs. 149499980 during this year. All the shares are subject to lock-in for a period of one year from the date of allotment..

**INITIAL PUBLIC OFFER (IPO)**

The company had come up with an IPO recently. It had received an excellent, splendid and an overwhelming response from the Public.

The Issue opened on 8<sup>th</sup> of May 2008 and closed on 13<sup>th</sup> of May, 2008. The Company had offered 7158392 equity shares through IPO with a price-band of Rs.175 to Rs.195. The Issue was over subscribed by 4.27 times overall. It had been oversubscribed 2.72 times in QIB segment, 6.58 times in HNI segment, 1.06 times in EMPLOYEE category, and 5.59 times in RETAIL segment. Allotment of the shares was made on 27<sup>th</sup> of May, 2008. The equity shares of the Company have been listed on BSE and NSE on 4<sup>th</sup> of June, 2008.

**FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits from the public and it is therefore not required to comply with the requirement under Non-Banking Non-Financial companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

**DISCLOSURE**

Pursuant to section 217(1) & 217(2) of the Company Act, 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) 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 Board of Directors inform the members that during the financial year there has been no change

1. In the nature of the company's business.
2. In the classes of business in which the company has an interest.

**SUBSIDIARY COMPANIES**

Your Company has two wholly owned subsidiary companies namely Maurigo International Ltd, Mauritius and Maurigo Pte Ltd, Singapore. In line with section 212 of the Companies Act, 1956 the audited statements of accounts along with the Director's Report and the Auditor's report of both these companies is annexed herewith.

**DIRECTORS**

Mrs. Bhikhiben B Rajput, Mrs. Manjulaben K Thakkar and Mrs. Jashodaben J Thakkar have resigned from the office of the Directors of the Company with effect from August 10, 2007. The Board records its appreciation for the valuable contribution made by them during their tenure as Directors of the Company.

Mr. Piyushchandra R Vyas, Dr. Dipuba H Devada and Dr. Rashid Ali Khan have been appointed as the Independent and Non-executive Directors of the company with effect from September 6, 2007 at the Extra Ordinary General Meeting.

In terms of Article 155 of the Articles of Association, Dr. Dipuba H Devada, retire by rotation and being eligible, offer herself for reappointment at the ensuing Annual General Meeting.

Notice has been received from member pursuant to Section 257 of Companies Act together with the necessary deposits of Rs. 500/- proposing the appointment of Mr. Karansinhji Mahida to the Board of Directors.

**INSURANCE**

All the movable and immovable assets of the Company are adequately insured and are covered for all the risks.

**AUDITORS**

M/s. M.R. PANDHI & ASSOCIATES, Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment and have expressed their willingness to act as the Auditors of the Company, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Act and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

The company is consistently following the practice of accounting for custom duty on goods lying in custom bonded warehouse and it has no effect in its profit/loss for the year. There is no other qualification in the auditors report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

As stipulated by Clause 41 of Listing Agreement with Stock Exchanges, Consolidated audited Financial Statements of the Company, its subsidiaries and associates, for the year ended 31<sup>st</sup> March, 2008 have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standards prescribed by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements Form the part of the annual report.

## **PARTICULARS OF THE EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the particulars of the employees receiving remuneration in aggregate not less than Rs. 24,00,000 per annum or Rs. 2,00,000 per month is hereby annexed as **Annexure-B** to the report.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Directors hereby state and confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) They 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 as at 31<sup>st</sup> March 2008 and of the profit of the company for the year ended on that date.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis.

## **CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY**

### **CORPORATE GOVERNANCE**

The Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance as were applicable during the year under review to the Company.

A report on Corporate Governance practices followed by the Company, the Auditors' Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are given as **Annexure** to this report.

### **SOCIAL RESPONSIBILITY**

The 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. It has started a hospital at Gandhidham also. Your Company has been supporting this trust since its incorporation.

## **PARTICULARS REGARDING CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provision 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 given in the **Annexure-A** hereto forming a part of the report.

## **APPRECIATION**

The Directors take this opportunity to express their appreciation for the co-operation and assistance received from the Bankers as well as Shareholders during the year under review.

The Directors also wish to place on record their appreciation of the devoted and dedicated service rendered by all the employees of the Company.

**For and on behalf of the board**

Place: Ahmedabad  
Dated:23/06/2008

**BALVANTSINH C RAJPUT**  
Chairman and Managing Director

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### INDUSTRY OVERVIEW AND DEVELOPMENTS

India is world's third largest edible oil economy, after China and US. India's annual consumption is around 10 million tonnes vis-à-vis China's 14.5 million tonnes. However, India's per capita consumption at 10.2 kgs per annum is considerably lower compared to global standards. India is also a leading producer of oilseeds, contributing 7-8% of world oilseed production. India is estimated to account for around 6% of the world's production of edible oils. Though it has the largest cultivated area under oilseeds in the world, crop yields tantamount to only 50-60% of the world's average. India is the fifth largest producer of oilseeds in the world, behind US, China, Brazil, and Argentina. Since 1995, Indian share in world production of oilseeds has been around 8-10%.

Edible oil processing consists of three operations: crushing and expelling (separating oil from the solids), solvent extraction (to chemically remove residual oil from the oilcake solids), and oil refining. In many countries, these three separate processing operations are conducted by one vertically integrated plant. In India, however, only a small share of oilseed production undergoes solvent extraction and oil refining. Instead, India's oilseeds processing sector is made up of the three groups viz Ghanis, solvent extractors and oil refiners engaged separately.

Edible oils constitute an important component of Indian households' expenditure on food. A large population and steady economic growth are important contributors to India's increasing consumption.

### MAJOR FEATURES OF EDIBLE OIL ECONOMY

There are two major features, which have very significantly contributed to the development of this sector. One was the setting up of the Technology Mission on Oilseeds in 1986. This gave a thrust to Government's efforts for augmenting the production of oilseeds. This is evident by the very impressive increase in the production of oilseeds from about 11.3 million tonnes in 1986-87 to 24.8 million tonnes in 1998-99. There was some setback in 1999-2000 because of the un-seasonal rain followed by inclement weather. The production of oilseeds declined to 20.7 million tonnes in 1999-2000. However, the oilseeds production in 2005-06 is estimated to be 27.73 million tonnes. The other dominant feature which has had significant impact on the present status of edible oilseeds/oil industry has been the programme of liberalization under which the Government's economic policy allows greater freedom to the open market and encourages healthy competition and self regulation rather than protection and control. Controls and regulations have been relaxed resulting in a highly competitive market dominated by both domestic and multinational players

### INDUSTRY OUTLOOK

With its large population and continued strong economic growth, India is likely to register strong gains in total and per-capita edible oil consumption in the medium term. The country's consumption places India behind only China and European Union. Per capita consumption has increased to 11 kgs in FY2006 and 11.3 kgs in FY2007. Production is expected to increase at a slower rate during 2008 mainly because of an expected decline in India's oilseeds and edible oil production. Only rapeseed production is expected to rise. The extent to which increased consumption is met by Imports—and the types of oil imported—will be strongly influenced by India's trade and domestic agricultural policies, but imports will likely remain strong for the medium term. The financial performance of players in the Indian edible oil industry is expected to be dependent upon oilseed production and edible oil prices. Refining margins (from crude edible oil) and marketing margins (branded sale) are likely to remain robust due to rising demand. Overall, the near term outlook for the solvent extractors and edible oil producers / marketers remain positive.

By 2010, India's total requirement of edible oils for projected population of 1.25 billion at the projected per capita consumption of about 15 kg per annum.

With the invention of bio diesel, about 15%-20% production of the vegetable oil is being directed towards the bio diesel, and with rising global demand, the availability of the edible oils like palm oil for edible purposes has tightened, leading to spurt in their global / domestic prices. The expectation of the fall in oilseed production in the Rabi Season of 2007-2008 coupled with the tightening of the supply in the global markets had triggered the prices of edible oil in India to move north.

## FINANCIAL REVIEW

During the year under review, the Company has posted an impressive performance.

On standalone basis, the Company has achieved turnover of Rs. 205074.60 lacs in comparison of previous year Rs. 156249.12 lacs which shows a growth of about 31%. The net profit after tax has increased to Rs. 5495.94 lacs as compared to Rs. 2671.52 lacs in the previous year registering a growth of 105.70%.

## STANDALONE

### SHARE CAPITAL

The increase in share capital of the Company during the financial year ended on 31<sup>st</sup> March, 2008 is on account of the following:

808108 Equity Shares of Rs. 10/- each issued as fully paid up on preferential allotment basis at premium of Rs. 175/- per share. Due to this the Company's subscribed, issued and paid up Equity Share capital increased from Rs. 1841.25 lacs to 1922.06 lacs.

### RESERVES AND SURPLUS

The reserves and surplus increased from Rs. 10542.76 to Rs. 17329.82 lacs on account of increase in Share Premium received on issue of Shares of Rs. 1414.19 lacs and deduction of share issue expenses of Rs. 119.90 lacs and carry forward of the profits earned for the year.

### SECURED LOANS

The secured loans increased from Rs. 7012.63 lacs to 20286.01 lacs on account of additional term loan and working capital loans availed from Banks.

### UNSECURED LOANS

The increase in unsecured loan from Rs. 1945.68 lacs to Rs. 5750.65 lacs is on account of short term borrowing for working capital from Bank.

### DEFERRED TAX LIABILITY

The Company accounts for deferred tax in compliance with the Accounting Standard 22. The Company has recognised deferred tax liability net of deferred tax assets of Rs. 7.90 lacs of Rs. 1627.49 lacs as on 31<sup>st</sup> March, 2008.

### FIXED ASSETS

During the financial year additions to fixed assets were of Rs. 76262.85 lacs excluding the capital work in progress.

### INVESTMENTS

During the year the Company has made an investment in Subsidiary Company based in Singapore aggregating to Rs. 42.91 lacs.

### SUNDRY DEBTORS

Sundry Debtors (net of provision) stood at Rs. 8976.77 lacs as compared to Rs. 9669.71 lacs of previous year. During the year the Company made a provision of doubtful debts of Rs. 14.87 lacs.

### CASH AND BANK BALANCES

The cash and bank balances increased from Rs. 4975.89 lacs to Rs. 6628.35 lacs.

### LOANS AND ADVANCES

Loans and advances accounted to Rs. 4573.84 lacs as against Rs. 1857.41 lacs of previous year.

### CURRENT LIABILITIES AND PROVISIONS

The current liabilities have increased to Rs. 31230.09 lacs in the current year from Rs. 23021.71 lacs in the previous year. The provisions have increased to Rs. 442.34 lacs from 362.34 lacs in previous year.

**RESULTS OF OPERATIONS**

Rs. In lacs

Particulars	2007-08	2006-07
Revenues	205668.34	156706.12
Total Expenditure	192076.73	153927.23
Profit before interest and depreciation	13591.61	2778.89
Finance Cost	4172.56	1948.75
Depreciation & Amortisation	1222.18	830.14
Profit before Tax	8196.87	3703.52
Less: Provision for Taxation	2700.92	1032.10
Profit after Tax	5495.94	2671.52

**REVENUES**

The total revenues were Rs. 205668.34 lacs in the year as against Rs. 156706.12 lacs in previous year registering a growth of 31.24%.

**PERSONNEL COSTS**

Personnel cost has increased to Rs. 559.58 lacs as against Rs. 379.40 of previous year. This is on account of increase in business operations.

**MANUFACTURING AND OTHER EXPENSES**

In the year the total operational expenses have increased to Rs. 16281.87 lacs as compared to Rs. 11918.52 lacs of previous year. This is on account of increase in business operations.

**INTEREST AND FINANCIAL COST**

Financial cost has increased to RS. 4172.56 lacs from Rs. 1948.75 lacs of previous year. This is due to increase in loans from banks and tightening of interest rates.

**DEPRECIATION**

Depreciation on fixed assets is provided on Straight Line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Intangible assets are amortised equally over five years. Total depreciation provided during the year was Rs. 1222.18 lacs as against Rs. 830.14 lacs in the previous year.

**CONSOLIDATED****SHARE CAPITAL**

The increase in share capital of the Company during the financial year ended on 31<sup>st</sup> March, 2008 is on account of the following:

808108 Equity Shares of Rs. 10/- each issued as fully paid up on preferential allotment basis at premium of Rs. 175/- per share. Due to this the Company's subscribed, issued and paid up Equity Share capital increased from Rs. 1841.25 lacs to 1922.06 lacs.

**RESERVES AND SURPLUS**

Reserves and surplus has increased due to increase in share premium account by Rs. 1414.14 lacs and deduction of share issue expenses of Rs. 119.90 lacs. Also, balance of carry forward of profit and loss account of Rs. 14660.46 lacs.

**SECURED LOANS**

The secured loans at the year end was Rs. 20286.01 lacs.

**UNSECURED LOANS**

The unsecured loans as on 31<sup>st</sup> March, 2008 stood at Rs. 5750.65 lacs

**DEFERRED TAX LIABILITY**

The deferred tax liability at the year end was Rs. 1627.49 lacs. After netting of deferred tax assets of Rs. 7.90 lacs.