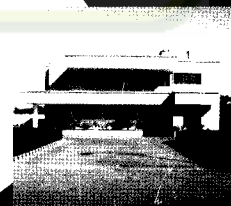


16<sup>th</sup>

Annual Report  
2008-2009

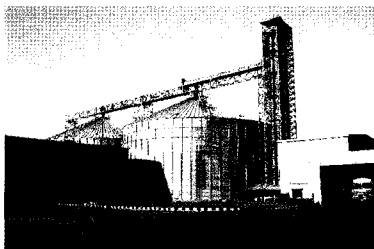
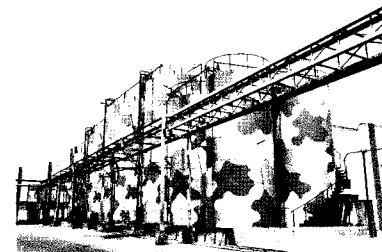
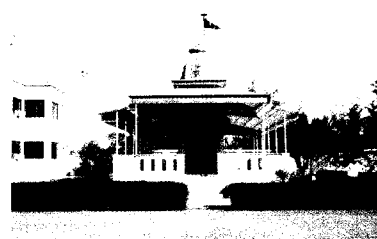
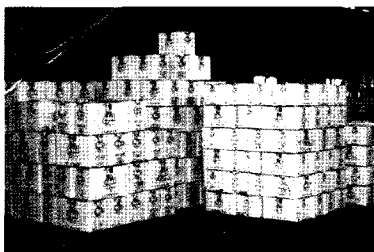
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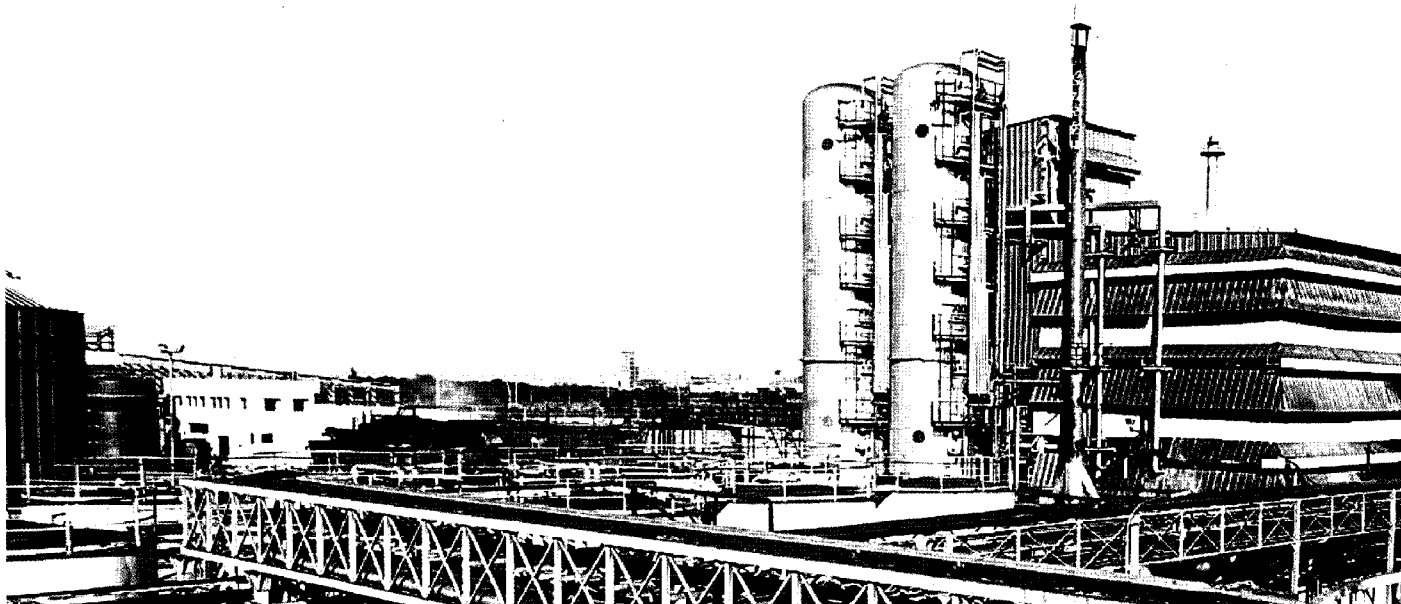
**Gokul Refoils & Solvent Ltd.**



**GOKUL**



Union Finance Minister Shri Pranab Mukherjee, inaugurating the Company's New Edible Oil Refinery at Haldia in West Bengal on June 24, 2009.





## from the Desk of CMD

It is my proud privilege to present the 16<sup>th</sup> Annual Report of the Company. This year has been a truly challenging year because it started off with a great hope and ended with a lot of uncertainty and change. The Economic conditions became tough since July, 2008 due to Global Economic Crisis.

Over the past few years, commodity prices have been rising and edible oil was no exception. However, due to global recession, the Edible Oil prices touched it's lowest during second half of the financial year. The performance of the Company was also under pressure due to sudden appreciation of US dollar against Indian Rupee as the Company is net Importer.

These are trying times for us but it has provided an opportunity to put our house in order. We have to do business with great discipline.

The Company has set up one of the ultra modern new Manufacturing and Packaging facility (Edible Oil Refinery) with an installed capacity of 1000 TPD at Haldia, West Bengal, which was inaugurated on Wednesday, 24<sup>th</sup> June, 2009 by Shri Pranab Mukherjee, Hon'ble Union Finance Minister. This plant will enable the Company to penetrate the markets in North-Eastern States where the Company has a good customer base. With a new and stable Government at the Centre, there is a sea change in the outlook for India and this will help the industries in general.

We always believe that people are our greatest strength. We continue to train and nurture them to be the best in the industry. I am proud of their commitment and their significant contribution at all times.

Your Board and Management have always practiced the highest principles of Corporate Governance in an endeavor to create value for stakeholders. I would like to reiterate that your Company would continue to uphold these traditions and act in the best interest of the all stakeholders.

Our Management team is visionary and proactive. It has continuously provided a clear vision and strong leadership and has been the backbone of the Company's leadership profile. I thank them.

In your Company, the management always believes in looking after the interest of our shareholders. I express my gratitude to you, dear shareholders for your continued trust and faith in the Company's destiny. I assure you on behalf of the management that we will continue striving and give you the best performance in the industry.

With best regards,

**BALVANTSINH RAJPUT**  
Chairman & Managing Director



## Board of Directors



**Shri Balvantsinh C. Rajput**  
Chairman & Managing Director



**Shri Kanubhai J. Thakkar**  
Managing Director



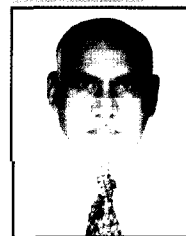
**Shri Dineshkumar Sharma**  
Whole-time Director-Legal



**Shri Piyushchandra Vyas**  
Independent Director



**Dr. Dipuba Devada**  
Independent Director



**Shri Karansinh Mahida**  
Independent Director



**Shri Jayant Parimal**  
Independent Director

### 16th ANNUAL GENERAL MEETING

Day : Saturday

Date : 12<sup>th</sup> September, 2009

Time : 11.00 A.M

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

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## GOKUL REFOILS AND SOLVENT LIMITED

### 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 (upto 28/02/2009)
Mr Piyushchandra R Vyas	-	Independent Director
Dr Dipuba H Devada	-	Independent Director
Dr Karansinhji Mahida	-	Independent Director
Mr. Jayant Parimal	-	Additional Director

#### Board Committees

##### Audit Committee

Mr Piyushchandra R Vyas	-	Chairman
(w.e.f. 13/9/2008)		
Mr Kanubhai J Thakkar	-	Member
(w.e.f. 13/9/2008)		
Mr Karansinhji Mahida	-	Member
(w.e.f. 13/9/2008)		
Mr Jayant Parimal	-	Member
(w.e.f. 13/9/2008)		
Dr Dipuba H Devada	-	Member
(Upto 13/9/2008)		
Mr Dinesh H Sharma	-	Member
(Upto 13/9/2008)		

##### Remuneration Committee

Dr Dipuba H Devada	-	Chairman
Mr Karansinhji Mahida	-	Member
Mr Piyushchandra R Vyas	-	Member

##### Shareholders /Investors Grievances Committee

Dr Dipuba H Devada	-	Member
Mr Kanubhai J Thakkar	-	Member
Mr Dineshkumar Sharma	-	Member

##### Auditors

M R Pandhi & Associates,  
Chartered Accountants  
101, Panchdeep Complex,  
Nr. Mithakhali Six Roads,  
Navrangpura, Ahmedabad-380009

##### Company Secretary & Compliance Officer

Kalpesh Desai

##### 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  
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,  
Gujarat. India.

##### 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. India.

##### Haldia Unit

J.L.No-149 Plot, Nr.Essar's Petrol Pump, Way  
to HPCL, Nr.Renuka Sugar's Factory, Haldia  
Development Authority Area, P.O.Debhog,  
Haldia-721657, Dist. Purba Medinipur,  
West Bengal, India.

##### Registrar & Transfer Agents

Link Intime India Pvt. Ltd.  
(Formerly known as Intime Spectrum Registry Limited.)  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup(W), Mumbai-400078, India





## GOKUL REFOILS AND SOLVENT LIMITED

### NOTICE

**NOTICE** is hereby given that the **16th ANNUAL GENERAL MEETING** of the Company will be held on Saturday 12<sup>th</sup> day of September, 2009 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 Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit & Loss Account for the year ended on that date and Report of Directors and Auditors thereon.
- (2) To declare dividend on Equity Shares for the year ended on 31<sup>st</sup> March, 2009.
- (3) To appoint a Director in place of Mr. Dineshkumar H Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To appoint M/s. M. R. Pandhi & Associates, Chartered Accountants, Ahmedabad 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

- (5) 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 all other applicable provisions, if any, of the Companies Act, 1956, Mr. Jayant Parimal be and is hereby appointed, as Director of the Company liable to retire by rotation.”

- (6) To consider and if thought fit, to pass with or without modification, the following resolution as **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.”

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

**“RESOLVED THAT** pursuant to Section 94(1) (d) and all other provisions of the Companies Act, 1956 and subject to the provisions of Article of Association of the Company and Stock Exchanges and other statutory authorities, the authorised share capital of the Company comprising of 3,50,00,000 the existing Equity Shares of the face value of Rs. 10 each aggregating to Rs. 35 Crore be and is hereby sub divided into 17,50,00,000 Equity Shares of the face of Rs. 2 (Rs Two only) each with effect from the record date to be determined by the Board of Directors.”

**“RESOLVED FURTHER THAT** the issued, subscribed and fully paid Equity Shares of the Company comprising of 2,63,79,000 Equity Shares of the face value of Rs. 10, each aggregating to Rs. 26,37,90,000 be subdivided into 13,18,95,000 Equity Shares of the face value of Rs. 2 each as on record date that may be fixed by the Board.”

**“RESOLVED FURTHER THAT** the Board be and is hereby severally authorised to do all the things, deeds, acts, matters and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the power herein vested in them to give effect to the above.”



## GOKUL REFOILS AND SOLVENT LIMITED

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

**"RESOLVED THAT** in Clause V of the Memorandum of Association of the Company for the words "The Share Capital of the Company is Rs. 35,00,00,000 (Rupees Thirty Five Crore) divided into 3,50,00,000 (Three Crore Fifty Lacs) Equity Shares of Rs. 10 (Rupees Ten) each" the following words be substituted:

V "The Share Capital of the Company is Rs. 35,00,00,000 (Rupees Thirty Five Crore) divided into 17,50,00,000 (Seventeen Crore Fifty Lacs) Equity Shares of Rs. 2 (Rupees Two) each"

- (9) 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 sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended, modified or re-enacted, the Company hereby approves the appointment of Mr. Dineshkumar Sharma, as the Whole time Director of the Company and he will be designated as "Whole time Director-Legal" for a period of 1 year with effect from 1<sup>st</sup> August, 2009 on the terms and conditions, including expressly the remuneration payable to him as Whole-time Director and the minimum remuneration payable to him in case of absence or inadequacy of profits, as set out in the Agreement between the Company and the said Mr. Dineshkumar Sharma."

**"RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, etc. within such prescribed limits."

**"RESOLVED FURTHER THAT** Shri Dineshkumar Sharma be designated as Whole time Director-Legal, and that he shall be entirely responsible for all Statutory and Legal Compliances under all Laws applicable to the Company and he will be considered as "Officer in Default" as prescribed under Section 5 of the Companies Act, 1956 and that he will be acting as the "Occupier" under Section 2(n) of the Factory Act, 1948 for all the plants of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this resolution."

**By Order of the Board**

**PLACE : Ahmedabad**  
**DATE : 29th July, 2009**

**Kalpesh Desai**  
**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 be valid should be lodged at the Corporate 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 their 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 8th September, 2009 to 12th September, 2009 (both days inclusive), for the purpose of dividend, if declared at the Annual General Meeting.
7. The dividend on shares as recommended by the Board of Directors, if declared at the Meeting, will be paid :
  - in respect of shares held in demat form, on the basis of beneficial ownership as per details furnished by the depositories, as at the end of the business day on Monday 7<sup>th</sup> September, 2009 and

## GOKUL REFOILS AND SOLVENT LIMITED

- in respect of shares held in physical form to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfer lodged with the Share Transfer Agent on or before Monday 7<sup>th</sup> September, 2009.
- 8. In case of any change of particulars including address, bank mandate and nomination for shares held in demat form, should be notified only to the respective Depository Participants where the Member has opened their demat account. The Company or its Share Transfer Agent will not act on any direct request from these Members for change of such details. However requests for any change in particulars in respect of shares held in physical form should be sent to the Registrars & Share Transfer Agents of the Company.
- 9. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Kalpesh Desai, Company Secretary, at the Company's Corporate Office. Members are requested to note that dividends not encashed or claimed within seven years from date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund as per Section 205C of the Companies Act, 1956, Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
- 10. Members holding shares in demat form may please note that the bank account details given by them to their Depository Participants (DPs) and on to the Company by such DPs would be printed on the dividend warrants of the concerned Members. However, if any Member(s) wants to receive dividend in any other bank account details with his/her concerned DP. The Company will not be able to act on any such request from shareholders directly for deletion/change in the bank account details.
- 11. Members are requested to bring their Attendance Slip along with the copy of Annual Report to the Meeting.
- 12. Members desirous of asking any questions at the Annual General Meeting are requested to send their questions to the Company's Corporate 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 5

Pursuant to Section 260 of the Companies Act, 1956 Mr. Jayant Parimal had been appointed as the Additional Director by the Board of Directors to hold the office of Director only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director pursuant to Section 257 of Companies Act together with the necessary deposits of Rs. 500/-. Mr. Jayant Parimal has served as an IAS Officer in Government of Gujarat and has an experience of 20 years in the field of infrastructure and public administration.

None of the Directors except Mr. Jayant Parimal is concerned or interested in this resolution. The Board recommends the resolution at item No.5 for approval of Members.

#### Item no 6

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 (SBI), Allahabad Bank and HDFC Bank Limited .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.





## GOKUL REFOILS AND SOLVENT LIMITED

In view of the aforesaid provisions, you are requested to grant your consent to the resolution as set out at item No.6 of the accompanying notice.

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

### Item no 7 and 8

The Equity Shares of the Company are listed on The Bombay Stock Exchange Ltd., and The National Stock Exchange of India Ltd. The present Authorised Share capital of the Company is Rs. 35,00,00,000 (Rupees Thirty Five Crore) divided into 3,50,00,000 Equity Shares of Rs.10 each. The present issued, subscribed and paid up share capital of the Company is Rs. 26,37,90,000 divided into 2,63,79,000 Equity Shares of Rs.10 each.

It is proposed to sub divide the one Equity Share of Rs 10 each into five Equity Shares of Rs. 2 each. Article 3 of the Articles of Association empowers the Shareholders in the General Meeting to so sub divide the shares of the Company into smaller denomination.

Consequently, the item no. 8 of the notice is for alteration of Clause V of the Memorandum of Association of the Company on account of the subdivision of the Equity Shares as referred to item no. 7.

Currently, the Company has a small capital base and number of it's floating shares in stock market is quite nominal as compared to peer Companies in the industry. With a view to increase the number of floating shares and increase the liquidity in the stock market, the Board has recommended sub division of the face value of the Equity Shares from Rs. 10 (Rupees Ten only) each to Rs. 2 (Rupees Two only) each. This will facilitate the small investors to purchase the shares of the Company. The Board of Directors is of opinion that the aforesaid sub division of the face value of the Equity Shares is in the best interest of the Company and the investors and hence recommends the passing of the above resolutions.

The proposed resolutions placed at items no. 7 and 8 of this notice is intended to give effect to the above proposal and is placed before the Members for according their approval by passing an Ordinary Resolution.

The Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of their respective shareholding, if any, to the Company to the same extent as that of every other Member of the Company.

A copy of the Memorandum and Articles of Association of the Company showing proposed alterations is available for inspection at the Registered Office of the Company from 11.00 A.M. to 1.00 P.M. on any working day up to the date of the Annual General Meeting.

### Item no 9

Mr. Dineshkumar Sharma was a Director of the Company and he has been appointed as Whole time Director-Legal by the Board of Directors in it's meeting held on 29<sup>th</sup> July, 2009 subject to the Approval of Members. The agreement for the same has also been executed for the terms & conditions mutually agreed.

The Directors confidently feel that the Company should avail the services of Mr. Dineshkumar Sharma, as whole time Director since he is versatile having experience in the area Insurance and legal compliances. Hence the Board of Directors at it's meeting held on 29<sup>th</sup> July, 2009 has considered and thought fit to appoint Mr. Dineshkumar Sharma as the Whole time Director-Legal of the Company for 1 year with effect from 1<sup>st</sup> August, 2009 subject to the approval of the Members of the Company. Mr. Dineshkumar Sharma has been associated with the Company as a Whole time Director since March 1999 upto February 2009 and at present he is Director and has a vast knowledge of dealing in Edible and Non Edible Oil industry. The remuneration proposed to be paid to Mr. Dineshkumar Sharma is within the limits of Schedule XIII as amended. The Directors, therefore, recommend passing of the relevant Ordinary Resolution as mentioned at item no. 9 of the Notice.

Mr. Dineshkumar Sharma having thus acquired a good knowledge and experience in Legal field and various other acts, the Directors of your Company thought it fit to appoint him as the Whole-time Director of the Company. It is also proposed to assign Mr. Dineshkumar Sharma with the responsibility of Statutory and Legal Compliances of all Laws applicable to the Company and he will be considered as "Officer in Default" as prescribed under Section 5 of the Companies Act, 1956 and that he will be acting as the "Occupier" under Section 2(n) of the Factory Act, 1948 for all the plants of the Company. The remuneration payable to Mr. Dineshkumar Sharma as the Whole time Director including the minimum remuneration payable to him in the event of absence or inadequacy of profits of the Company is set out in the Agreement entered into by the Company with him and the salient features of the same are given hereunder:-

## GOKUL REFOILS AND SOLVENT LIMITED

### REMUNERATION :

- a) Salary of Rs. 12,00,000/- (Rupees Twelve Lacs Only) Per Annum.

However, the total remuneration payable to Shri Dineshkumar H Sharma, the Whole-time Director-Legal shall not exceed Rs. 12,00,0,00/- per annum (Rs. 1,00,000/- per month) inclusive of salary and all the perquisites from time to time.

- b) Perquisites : Perquisites to him shall be as classified into three Categories 'A', 'B' and 'C' below :

#### CATEGORY 'A'

- i) Medical Reimbursement:

Medical Reimbursement will be provided to him as per the Company's Policy.

- ii) Leave Travel Concession:

The Company shall provide a car to Mr. Dineshkumar Sharma whose petrol reimbursement shall be done by the Company upto the period of this agreement. (i.e 1 year)

- iii) Club Fees:

Fees of clubs subject to a maximum of two clubs. This will not include admission and life Membership fees.

- iv) Personal Accident Insurance :

Premium not to exceed Rs. 10,000/- per annum.

- v) Mediciclaim Insurance:

Premium not to exceed Rs. 10,000/- per annum.

#### CATEGORY 'B'

- vi) Contribution to Provident Fund & Other Funds:

Contribution to the Provident Fund, Superannuation or Annuity Fund shall not be included in computation of the ceiling on perquisites and shall be payable to the extent these either singly or put together are not taxable under the Income-tax Act and in accordance with policy of the Company.

- vii) Gratuity:

As per the rules not exceeding half a month's salary for each completed year of service after completion of 5 years service, shall not be included in the computation of ceiling on perquisites as specified above.

- viii) Leave Encashment:

The Whole-time Director-Legal be entitled to fully paid leave as per the Company's Rules. Encashment of Leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on perquisites, specified above.

#### CATEGORY 'C'

- ix) The Whole-time Director shall be entitled to such other benefits or amounts as may be approved by the Board and permissible under Schedule XIII of the Companies Act, 1956.

In the event of loss or inadequacy of profits, the Whole-time Director shall be entitled to receive the same remuneration, perquisites and benefits referred to hereinabove.

The above remuneration is the minimum that could be paid to the Whole-time Director-Legal in the event of loss or inadequacy of profit.

#### Other Terms and Conditions :

1. Under the provisions of Section 5(f) of the Companies Act, 1956, Mr. Dineshkumar Sharma shall be assigned with the responsibility of Statutory and Legal Compliances of all laws applicable to the Company.
2. Mr. Dineshkumar Sharma will not receive sitting fees for attending meetings of the Board of Directors of the Company.
3. Mr. Dineshkumar Sharma shall not, so long as he functions as the Whole-time Director of the Company, become interested or otherwise concerned directly or through his respective wife or children in any selling agency of the Company without the prior approval of the Central Government.