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We Can **WIN**



**Gokul Refoils and Solvent Ltd.**

*An ISO:22000 Certified Company*

## Corporate Information

### BOARD OF DIRECTORS

Mr. Balvantsinh Rajput - *Chairman & Managing Director*  
 Mr. Kanubhai Thakkar - *Managing Director*  
 Mr. Piyushchandra Vyas - *Independent Director*  
 Dr. Dipuba Devada - *Independent Director*  
 Mr. Karansinhji Mahida - *Independent Director*  
 Mr. Dineshkumar Sharma - *Wholetime Director-Legal*  
 ( w.e.f 14<sup>th</sup> May 2012)

### AUDIT COMMITTEE

Mr. Piyushchandra Vyas - *Chairman*  
 Mr. Kanubhai Thakkar - *Member*  
 Mr. Karansinhji Mahida - *Member*  
 Dr. Dipuba Devada - *Member*

### REMUNERATION COMMITTEE

Dr. Dipuba Devada - *Chairperson*  
 Mr. Karansinhji Mahida - *Member*  
 Mr. Piyushchandra Vyas - *Member*

### SHAREHOLDERS /INVESTORS GRIEVANCES COMMITTEE

Dr. Dipuba Devada - *Chairperson*  
 Mr. Kanubhai Thakkar - *Member*  
 Mr. Dineshkumar Sharma - *Member*

### AUDITORS

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

### MANAGEMENT TEAM

Mr. Hitesh Thakkar *Chief Executive Officer*  
 Mr. Praveen Khandelwal *Chief Operating Officer*  
 Mr. Rajendra Khiani *Sr. VP Banking & Finance*  
 Mr. Joseph Chettiar *VP Exports*  
 Mr. Praveen Nehte *VP Technical*  
 Mr. Atul Shah *VP Audit & Risk Management*  
 Mr. Vinod Rajput *CEO Procurement (Sidhpur)*  
 Mr. Ajit Rajput *VP Operations (Gandhidham)*  
 Mr. Vinod Rajput *Director Operations (East)*

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kalpesh Desai

### BANKERS

State Bank of India  
 Punjab National Bank  
 Central Bank of India  
 State Bank of Travancore  
 Union Bank of India  
 Bank of India  
 The Jammu and Kashmir Bank Limited

### 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

### SIDHPUR UNIT

State Highway No. 41,  
 Nr. Sujanpur Patia,  
 Sidhpur-384 151, 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 -400 078

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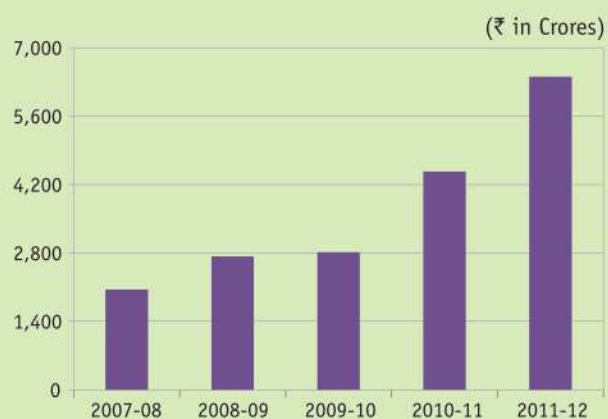
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## Financial Highlights

(₹ in Crores)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Sales	2,052.30	2,731.72	2816.28	4464.54	6407.09
Profit Before Tax	81.97	37.76	62.61	89.99	(140.44)
Profit After Tax	53.92	25.68	42.55	61.98	(107.09)
Depreciation	12.22	17.76	25.09	30.19	32.90
Cash Accrual	73.20	41.67	80.76	94.61	—
Share Capital	19.22	26.38	26.38	26.38	26.38
Reserves and Surplus	173.30	316.06	354.40	411.47	304.38
Total Net Worth	208.79	359.14	410.20	437.84	330.76
Total Liabilities	577.09	529.66	850.59	1087.51	3133.86
Total Capital Employed	469.16	568.81	728.92	855.07	655.52
Fixed Asset	168.93	273.16	334.87	347.38	363.56
Net Current Asset	286.96	274.61	377.65	457.32	(11.21)

### SALES



### RESERVES AND SURPLUS



### NET WORTH



### FIXED ASSETS





## Chairman's Message

Dear Stakeholders,

My warm greetings to all of you. I would like to take this opportunity to present the 19<sup>th</sup> Annual Report of the Company.

The year 2011-12 was passed with great uncertainty, rupee depreciation, upward spiraling food prices and uncontrollable inflation. The situation looks unsteady once again, with the problems in the Euro Zone.

Indian industries had to pass through a tough and turbulence time due to falling profits and substantial reduction in industrial growth. In this dismal scenario, where on one end World recession kept global sentiments low and on the other end domestic inflation impacted household spending.



During this year, the Company has achieved turnover of ₹ 640709.16 lacs as compared to ₹ 446453.96 lacs of the previous year, which shows increase of 43.51 % as compared to the previous year. Our export turnover has also been increased to ₹ 146032.71 lacs as compared to ₹ 90631.30 lacs with record growth of 61.13 % as compared to previous year. Though the volume and performance improved, the Company has incurred a net loss after tax of ₹ 10708.62 lacs as compared to previous year net profit after tax of ₹ 6198.07 lacs, primarily due to increase in material cost and foreign exchange loss. This year can be marked as most volatile year as far as US Dollar/Indian Rupee exchange rate is concerned. Between April 2012 to December 2012 the exchange rate of rupee/dollar increased from ₹ 44 to ₹ 53 per dollar. Overall rupee depreciated by about 17.50% in 2011-12.

Oilseeds and edible oils are two of the most sensitive essential commodities in India with it being 4<sup>th</sup> largest edible oil economy in the world and this sector occupies an important position in our economy. Indian edible oil demand is set to rise from 16mn MT now to 30mn MT by 2015. More importantly, with increasing quality consciousness, rising incomes and consolidation, branded sales are likely to grow at 25-30% over the next few years.

Despite its importance in the Indian household consumption story, the domestic edible oil sector continues to be highly fragmented, with top 10 players taking only 35% of the market. As reliance on imports and integration benefits across the value chain come to fore, the industry will witness continued consolidation. The domestic edible oil growth in retail segment is growing faster than the overall growth. Raw material sourcing has become important in the context of short supplies and spiraling prices.

In difficult circumstances, as is prudent with any entity, your Company has undertaken stringent fiscal control measures to minimize costs. These included contract renegotiations, process improvements, optimization of manpower, controlling loss making areas. These measures will help your company over medium to long term.

Gokul's management team and employees have stood through difficult challenges and learnt from this difficult time and all are fully committed, dedicated and adherence to collective vision. We have realized that with a focused and collective efforts and determination, we can overcome difficult times.

However our work is not yet over. We have set our priorities for the next financial year namely reducing finance cost by better working capital management, reducing operational cost by better productivity and processes, concentrating on retail segment, and controlling fluctuations/volatilities in currency and commodity prices by full proof risk mitigation measures.

To conclude, I would like to thank our shareholders who have continued to repose faith in us. I am grateful to the bankers who have stood by us. I also wish to thank every member of the management and staff of Gokul for their loyalty, dedication and hardwork in overcoming the difficult conditions that the Company is passing through and appreciate the guidance from the members of the Board from time to time. Today, we re-commit ourselves to restoring shareholder value and for making the Company more sustainable for future generations.

With best regards,

BALVANTSINH RAJPUT  
Chairman & Managing Director

## NOTICE

**NOTICE** is hereby given that the **19<sup>th</sup> ANNUAL GENERAL MEETING** of the Company will be held on Saturday, the 29<sup>th</sup> September, 2012, 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, 2012 and the audited Statement of Profit & Loss for the year ended and the reports of the Board of Directors and Auditors thereon.
- 2) To appoint Director in place of Shri Dineshkumar Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**“RESOLVED THAT** M/s. M. R. Pandhi & Associates, Chartered Accountants (Firm Registration No. 112360W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Managing Director of the Company.”

### SPECIAL BUSINESS :

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

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 & 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof approval of the Company be and is hereby accorded to the appointment of Shri Dineshkumar Sharma, as the Wholtime Director- Legal of the Company, for a period of one year with effect from 14<sup>th</sup> May, 2012 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening this Meeting and agreement executed with the Company, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

**“RESOLVED FURTHER THAT** the remuneration, benefits and perquisites as fixed by the Board be paid to Shri Dineshkumar Sharma, as minimum remuneration notwithstanding the absence or inadequacy of profit in the financial year, during the term of his office as Whole time Director- Legal of the Company.”

**“RESOLVED FURTHER THAT** Shri Dineshkumar Sharma shall be entirely responsible for the day to day affairs of the Company and he will be solely 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 Factories Act, 1948 for all the plants of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

**“RESOLVED THAT** the consent of the company be and is hereby accorded in terms of section 293(1) (a) and all other applicable provisions, if any, of the companies act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company to create a further mortgage and/or charge on such terms and conditions and at such time(s) and in such form and manner and with such raking as to priority, as the Board in its absolute discretion thinks fit, on the whole or substantially the whole of the company's undertakings or all of the undertakings, including the present and/or future properties, whether movable or immovable as may be agreed to be in favor of Banks/Financial Institutions/Trustees/other Investors hereafter referred to as lenders and/or Debenture Trustees and/or Trustees upto an aggregate amount not exceeding ₹ 4000 crores (Rupees Four Thousand Crores) over and above the aggregate of the paid up share capital and free reserve, to secure the term loan facility/working capital facilities/Debentures/Bonds, to be issued in one or more tranches, other instruments including foreign currency borrowing tied up/to be tied up by the company together with the interest on the principal amounts compound interest, additional interest, liquidated damages, accumulated interest, premium on prepayment or on redemption, commitment charges, cost, charges, expenses, remuneration of agents/ trustees at the respective agreed rates if any, and all other monies payable by the company to the concerned banks/ financial institutions/ trustees/other investors under the respective Debenture trust deed/Loan Agreement/other relevant agreements entered into/ to be entered into by the company.”

**“RESOLVED FURTHER THAT** the security to be created by the company as aforesaid may rank prior/pari passu/subservient with/ to the mortgages and /or charges already created or to be created in future by the company and as may be agreed to between the concerned parties.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board or any committee or person authorized by the Board/Committee be and is hereby authorized to finalize, settle, and execute such documents/deed/writings/papers/agreements as may be required and to do all the acts, deeds, matters and things as it may in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating the Mortgage/ Charge as aforesaid or otherwise considered to be in the best interest of the company.”

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**
- "RESOLVED THAT** pursuant to the provisions of Section 314(1) (b) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the appointment of Shri Digeeshsinh Rajput a relative of Shri Balvantsinh Rajput, Chairman & Managing Director to hold an office or place of profit as Business Development Manager Export (BDM) with effect from 1<sup>st</sup> April, 2012 on the remuneration and terms mentioned below:
- Remuneration ₹ 50,000/- per month with an annual increment as per the rules of the Company but not exceeding ₹ 2,50,000/- per month.
  - During his tenure, he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities."
- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**
- "RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310, 316, 317 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and all guidelines and clarifications, for managerial remuneration issued by the Central Government from time to time and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Ordinary Resolution passed by the Members of the Company at the 18<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> September, 2011, in respect of re-appointment of Shri Balvantsinh Rajput, as a Managing Director of the Company, for a further period of 5 years w.e.f. 15<sup>th</sup> June, 2011 with payment of remuneration as recommended by Remuneration Committee, Shri Balvantsinh Rajput shall be paid remuneration, as mentioned in the Explanatory Statement attached hereto, for a period of 3 years w.e.f. 1<sup>st</sup> April, 2011 (keeping appointment for a period of 5 years) within the limits prescribed under Clause (B) of the Section II of Part II of the Schedule XIII of the Companies Act."
- "RESOLVED FURTHER THAT** the remuneration payable shall not exceed the limits prescribed in Clause(B) of Section II of Part II of Schedule XIII to the Act as amended from time to time subject to the compliance of provisions thereof."
- "RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary and to execute necessary documents/ agreements/applications/ letters on behalf of the Company."
- 8) To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**
- "RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310, 316, 317 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and all guidelines and clarifications, for managerial remuneration issued by the Central Government from time to time and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Ordinary Resolution passed by the Members of the Company at the 18<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> September, 2011, in respect of re-appointment of Shri Kanubhai Thakkar, as a Managing Director of the Company, for a further period of 5 years w.e.f. 15<sup>th</sup> June, 2011 with payment of remuneration as recommended by Remuneration Committee, Shri Kanubhai Thakkar shall be paid remuneration as mentioned in the Explanatory Statement attached hereto, for a period of 3 years w.e.f. 1<sup>st</sup> April, 2011 (keeping appointment for a period of 5 years) within the limits prescribed under Clause (B) of the Section II of Part II of the Schedule XIII of the Companies Act."
- "RESOLVED FURTHER THAT** the remuneration payable shall not exceed the limits prescribed in Clause (B) of Section II of Part II of Schedule XIII to the Act as amended from time to time subject to the compliance of provisions thereof."
- "RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary and to execute necessary documents/ agreements/applications/ letters on behalf of the Company."
- 9) To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**
- "RESOLVED THAT** pursuant to the provision of Section 61 and other applicable provisions, if any, of the Companies Act, 1956 along with the other laws, rules and regulations for the time being in force, the consent be and is hereby accorded to amend the object/ utilization of the fund raised by Initial Public Offer of the Company in terms of prospectus dated 20<sup>th</sup> May, 2008 with respect to unutilised amount of ₹ 1084.09 lacs on account of brand building, which will be now proposed to be utilized for setting up sunflower dewaxing plant for ₹ 400 lacs and balance ₹ 684.09 lacs to be utilized for General Corporate purposes."
- "RESOLVED FURTHER THAT** Shri Balvantsinh Rajput, Chairman and Managing Director or Shri Kanubhai Thakkar, Managing Director be and is hereby severally authorized to use/deploy the unutilized funds out of the proceeds of the said initial public offerings of its Equity Shares, pending utilization for the purposes as described in this resolution, for investment in Mutual funds, interest/dividend bearing securities, Inter Corporate Deposits and for any other purposes as they may deem expedient in the interest of the Company."

**By Order of the Board of Directors**

**Kalpesh Desai**

*Company Secretary*

Place : Ahmedabad  
Date : 13<sup>th</sup> August, 2012  
Registered Office:  
State Highway No 41,  
Nr. Sujapur Patia,  
Sidhpur - 384151.



## NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Corporate Office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 25<sup>th</sup> September, 2012 to Saturday, the 29<sup>th</sup> September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
6. Relevant documents referred to in the accompanying notice are open for inspection by the Members at the Registered Office of the Company on all working days except Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
7. 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 Members has opened their demat accounts. The Company or its Share Transfer Agent will not act on any direct request from these Members for change of such details. However, request for any change in particulars in respect of shares held in physical form should be sent to the Registrar and Share Transfer Agent of the Company.
8. Members wishing to claim dividend, which remain unclaimed are requested to correspond with Shri Kalpesh Desai, Company Secretary at the Company's Corporate Office. Members are requested to note that dividend not encashed or claimed within seven years from the 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.
9. Members are requested to bring their attendance slip along with the copy of Annual Report to the Meeting.
10. Members desirous of asking any questions at the Annual General Meeting are requested to send their questions to the Company's Corporate Office at least 7 days before the Annual General Meeting so that the same can be suitably replied to.
11. The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of Annual General Meeting and the copies of Audited Financial Statements, Directors' Report, Auditors' Report etc. will also be displayed on the website [www.gokulgroup.com](http://www.gokulgroup.com) of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in Corporate Governance Report.

### **ANNEXURE TO NOTICE EXPLANATORY STATEMENT (Pursuant to Section 173 (2) of the Companies Act, 1956)**

#### **Item no. 4**

Shri Dineshkumar Sharma is a Director of the Company, the Board of Directors of the Company in its Meeting held on 14<sup>th</sup> May, 2012 appointed Shri Dineshkumar Sharma as Wholetime Director- Legal of the Company for a period of one year effective from 14<sup>th</sup> May, 2012 subject to the approval of Members on the terms and conditions as set out in the agreement executed with him. Shri Dineshkumar Sharma would liable to retire by rotation in terms of the Articles of Association of the Company.

The Board of Directors consider that in view of the background and experience of Shri Dineshkumar Sharma, it would be in the interest of the Company to appoint him as Wholetime Director-Legal of the Company. Shri Dineshkumar Sharma has been associated with the Company as whole time Director since March 1999 upto February, 2009 and further appointed as whole time Director- legal from 1<sup>st</sup> August, 2009 to 31<sup>st</sup> July, 2010 and at present he is Director and having vast knowledge of dealing in edible and non edible oil industry.

Shri Dineshkumar Sharma will be paid ₹ 1,00,000/ (Rupees one lacs only) per month including salary and all other perquisites. The remuneration proposed to be paid to Shri Dineshkumar Sharma is within the limits of Schedule XIII as amended.

Shri Dineshkumar Sharma shall be entirely responsible for the day to day affairs of the Company and he will be solely 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 Factories Act, 1948 of all the plants of the Company."

The Board recommends the resolutions as set out at item no. 4 for approval of the shareholders.

Shri Dineshkumar Sharma is interested or concerned in the proposed Resolution. None of the other Directors are interested or concerned in the proposed Resolution.

The Notice read with explanatory statement should be considered as an abstract of the terms of appointment and remuneration of Shri Dineshkumar Sharma as Wholetime Director- Legal and a Memorandum as to the nature of the concern or interest of the Director as required under Section 302 of the Companies Act, 1956.

The Agreement for appointment of the Wholetime Director- Legal referred to in Ordinary Resolution at item no. 4 of the Notice is available for inspection by the Members at the Registered Office of the Company on any working day except Sundays and Holidays between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.

#### **Item no. 5**

By resolution passed at the 18<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2011 the Company had authorized the Board of Directors to Borrow from time to time for an on behalf of the company sums not exceeding ₹ 4000 crores (Rupees Four Thousand Crores) in terms of section 293 (1) (d) of the Companies Act, 1956 required for the company's Modernization/ Expansion Scheme and Green Field projects which the company has already undertaken and also those contemplated by the company. It is intended to secure the said borrowings by mortgage/charge on such of the immovable and fixed assets and other movable assets of the company as may be decided by the Board of Directors of the company in consultation with the relevant parties.

Section 293(1)(a) of the Companies Act 1956, provides, inter alia, that the Board of Directors of the Company shall not except with the consent of such members of the Company in General Meeting, sell, lease, or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the company has more than one undertaking of the whole or substantially the whole of each such undertaking. Since the Mortgage and /or charge to be created in respect of the aforesaid Borrowings may be considered as a disposal of the company's undertaking(s), it is felt advisable by way of abundant caution that the proposed creation of the Mortgage and/or Charge in favor of various Banks/ Institutions/Security Trustees/Debtenture Trustees/Other investors be approved by the members of the company by an ordinary resolution pursuant to section 293(1)(a) of the Companies Act 1956.

The Board recommends the resolutions as set out at item no. 5 for approval of the shareholders.

None of the Director is interested in the resolution.

#### **Item No. 6**

Shri Digeeshsinh Rajput is son in law of Shri Balvantsinh Rajput, Chairman & Managing Director and hence, provisions of Section 314 of the Companies Act, 1956 would be applicable for payment of remuneration to Shri Digeeshsinh Rajput.

Shri Digeeshsinh Rajput has done MBA in Finance and Marketing from the Indian Institute of Planning and Management. Considering his qualification he has been appointed as Business Development Manager Export with effect from 1<sup>st</sup> April, 2012 and looking after export related activities of the Company.

His scope of work includes overall responsibilities of export related activities of the Company. His presence in the said field would be beneficial for the Company.

In view of the above, Shri Digeeshsinh Rajput would be paid remuneration of ₹ 50,000 per month and the total remuneration not exceeding ₹ 2,50,000 per month.

Section 314 provides that appointment of relative of a Director to an office of profit at a remuneration exceeding ₹ 50,000 per month but not exceeding ₹ 2,50,000 per month shall require approval of the shareholders by a Special Resolution.

Approval of the shareholders is, therefore, sought for payment of remuneration to Shri Digeeshsinh Rajput as detailed in Resolution No. 6 of the Notice.

Shri Balvantsinh Rajput, Chairman & Managing Director being a relative of Shri Digeeshsinh Rajput is deemed to be interested in the resolution.

You are requested to grant your consent to the resolution as set out at item No. 6 of the accompanying notice.

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

The Board recommends the resolution for your approval.

#### **Item Nos. 7 & 8**

Shri Balvantsinh Rajput and Shri Kanubhai Thakkar are the promoters and have been associated with the Company since its inception. The shareholders had at the 18<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> September, 2011 re-appointed them as the Managing Directors for a period of 5 (five) years with effect from 15<sup>th</sup> June, 2011, on the terms and conditions as per the agreement executed with them on remuneration of ₹ 1,50,00,000 per annum to each Managing Director respectively.



During the financial year 2011-12 the Company has incurred a net Loss of ₹ 10708.62 lacs. Consequently, Maximum Remuneration now payable as per the Clause (B) of Section II of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 works out to be ₹ 4,00,000 per month which is as per effective capital of the Company, subject to a special Resolution to be passed at the General Meeting and other terms and condition to be fulfilled for the period not exceeding 3 years.

The Board of Directors at its Meeting held on 13<sup>th</sup> August, 2012 have, also pursuant to the recommendation of Remuneration committee, approved the payment of such remuneration for the period from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2014.

Under the able leadership efforts and guidance of Shri Balvantsinh Rajput and Shri Kanubhai Thakkar, the Company has grown year after year and recorded highest turnover of ₹ 640709.16 lacs in the year 2011-12. Their efforts have made the Company one of the leading player in the field of Agro based commodities in India. Today, Gokul is established brand name. They have together articulated, designed and implemented a growth story of the Company.

The Supplemental Agreement entered into by the Company with Shri Balvantsinh Rajput and Shri Kanubhai Thakkar are available for inspection by the members at the Registered Office of the Company between 11.00 a.m to 1 p.m on all working days except Sunday and public holidays till the conclusion of the ensuing Annual General Meeting.

The above terms and conditions shall deemed to be an abstract under Section 302 of the Companies Act, 1956

The resolution for the reduction in remuneration of Shri Balvantsinh Rajput and Shri Kanubhai Thakkar, Managing Directors of the Company are recommended for approval by the shareholders as set out at item No. 7 & 8.

None of the Directors other than Shri Balvantsinh Rajput and Shri Kanubhai Thakkar are concerned or interested in the resolution.

**Statement pursuant to sub clause (iv) of clause 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 for payment of remuneration to Shri Balvantsinh Rajput and Shri Kanubhai Thakkar, Managing Directors.**

#### **I. General Information:**

##### **1. Nature of Industry.**

Company operates in Agro based commodities which incorporates product groups viz. Soya bean oil, Palmolin, Cotton seed oil, sunflower oil, mustard seed oil, castor oil, oil cakes, de oiled cakes, vanaspati, oil seeds, it's by products and other agro-commodities.

##### **2. Date of commencement of commercial production.**

Existing Company, already commenced from 1992.

##### **3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

The Company is in existence since 1992.

##### **4. Financial performance based on given indicators. (₹ In lacs)**

Financial Year	Income from Operations	Net profit /(loss) before Tax	Net Profit /(loss) after tax
2009-10	2,81,628.40	6,260.94	4,255.18
2010-11	4,53,631.55	8,999.04	6,198.07
2011-12	6,48,717.16	(140,44.49)	(10,708.62)

##### **5. Export performance and net foreign exchange collaboration. (₹ In lacs)**

Financial Year	Export (FOB value)
2009-10	41,528.19
2010-11	90631.30
2011-12	1,46,032.71

##### **6. Foreign investments or collaborators, if any.**

The Company has made investment in share Capital of its wholly-owned subsidiary Company namely:

1. Maurigo International Ltd ( Mauritius)
2. Maurigo pte. Ltd (Singapore)

**The Company has not made any foreign collaboration.**

## II. Information about the appointee:

	Shri Balvantsinh Rajput, Managing Director	Shri Kanubhai Thakkar, Managing Director
Background Details	He is Matriculate. He has an experience of more than two decades in the field of Agro Commodities. He is the founder promoter of the Company.	He is Matriculate. He has an experience of more than two decades in the field of Agro Commodities. He is the founder promoter of the Company.
Past Remuneration	Shareholders in its Meeting held on 24.9.2011 have passed the resolution for the payment of Remuneration of ₹ 1,50,00,000 per annum including salary and all other perquisites and 1% commission on Net Profit. However, due to loss in the year under review, the remuneration is to be restricted to ₹ 48,00,000 per annum as per the Schedule XIII of the Companies Act, 1956.	Shareholders in its Meeting held on 24.9.2011 have passed the resolution for the payment of Remuneration of ₹ 1,50,00,000 per annum including salary and all other perquisites and 1% commission on Net Profit. However, due to loss in the year under review, the remuneration is to be restricted to ₹ 48,00,000 per annum as per the Schedule XIII of the Companies Act, 1956.
Recognition or awards	He is co-chairman of the Vegetable Oil Processing Committee constituted by Solvent Extractors Association of India (SEA). He is also associated with various Trade Associations.	He has been conferred the honor of "The Oil Man of the Year-2005" by 'Globeoil India', one of world's premier vegetable oil research organization. He is also the Chairman of Western Zone Solvent Extractors Association of India and office bearer of various committees like SEA international oil and Oil Meal Traders Council, SEA Imports Vegetable Oil Processors Council, SEA Castor seed and Oil Promotion Council.
Job Profile and his suitability	He is involved in overall management, forming business strategy and implementing strategic initiatives of the Company. Mr. Balvantsinh Rajput has articulated, designed and implemented the growth story of the Company.	He is actively involved in the business development activities and major expansion initiatives undertaken by the Company.
Remuneration Proposed	₹ 4 lacs per month.	₹ 4 lacs per month.
Comparative remuneration profile with respect to industry, size of the Company, person (in case expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration for the similar position in the industry, having regard to the Size of Company and profile of person is not less than the proposed remuneration of Shri Balvantsinh Rajput.	The remuneration for the similar position in the industry, having regard to the Size of Company and profile of person is not less than the proposed remuneration of Shri Kanubhai Thakkar.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any.	Shri Balvantsinh Rajput is a Promoter Director holding 18742500 shares consisting of 14.21% of the paid-up capital of the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any emoluments from the Company.	Shri Kanubhai Thakkar is a Promoter Director holding 18517500 shares consisting of 14.04% of the paid-up capital of the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any emoluments from the Company.

## III. Other Information:

### 1. Reason of loss or inadequate profit.

Increase in materials cost and foreign exchange loss.

### 2. Steps taken or proposed to be taken for improvement.

The Company has formulated a comprehensive risk mitigation policy, so as to reduce losses on account of fluctuation in commodity prices and currency. The Company has adopted hedge instruments and other measures like budgetary and cost control are also implemented.

### 3. Expected increase in productivity and profits in measurable terms.

In view of the steps taken as mentioned above it is expected that same will results in overall increase in productivity and profitability of the Company.