

**M/S SHREE RAJIV LOCHAN OIL
EXTRACTION LIMITED**

AUDIT REPORT 2006-2007

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S. K. BHAMKAR & ASSOCIATES

CHARTERED ACCOUNTANTS

410, THIRD FLOOR, ESKAY PLAZA,

NEAR ANAND TALKIES,

MOUDHA PARA,

RAIPUR (C.G.)

PHONE NO. 4033474, 4033475

E-mail skbhamkar@yahoo.com

M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.

BOARD OF DIRECTORS

Shri Prakash Chand Raheja
Shri Sanjay Raheja
Shri Harish Raheja
Shri Jitendra Jaiswani
Shri Ravi Guiwani

AUDITORS

S.K. Bhamkar & Associates
Chartered Accountants
410, III Floor, Eskay Plaza,
Near Anand talkies,
Moudha Para,
Raipur (C.G.)

BANKERS

State Bank of Saurashtra, Raipur
Union Bank, Raipur
Dena Bank, Raipur
Indusind Bank, Raipur

REGISTERED OFFICE

27/3, Jawahar Nagar, Raipur
Raipur (C.G.)

FACTORY

I
671-678, Urla Industrial Area,
Distt. Raipur (C.G.)

SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED
Regd office 27/3, Jawahar Nagar, Near Agrasen Bhawan, Raipur (CG) 492001

NOTICE OF ANNUAL GENERAL MEETING

**TO ALL THE MEMBERS OF
OF SHREE RAJIV LOCHAN OIL EXTRACTION LIMITED**

NOTICE is hereby given that the Annual General Meeting of the Members of **SHREE RAJIV LOCHAN OIL EXTRACTION LIMITED** will be held on Thursday the 27th September, 2007 at 11 a.m. at 27/3, Jawahar Nagar, Raipur, Chhattisgarh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account of the company for the year ended 31st March 2007 and the Balance Sheet as at that date along with the reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Harish Raheja who retires by rotation and being eligible for reappointment offers himself for reappointment.
3. To consider and, if thought fit, to pass the following resolution, with or without modification as an ordinary resolution:

“RESOLVED THAT M/s S.K. Bhamkar & Associates, Chartered Accountants, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be decided mutually by the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution, with or without modification as an ordinary resolution:

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, if the Companies Act, 1956 or any other statutory modifications or enactment thereof, Shri Ravi Gulwani, who was appointed as additional director in terms of Section 260 as non executive independent director of the Company and whose period of office is coming to an end on the date of this AGM be and is hereby appointed as the Director of the company with immediate effect and is subject to retirement by rotation under the provisions of the Articles of Association of the company.”

Place: Raipur

Date: 10th August, 2007

By order of the Board


(P.C. RAHEJA)
Managing Director

Factory: 671-678 Industrial Area Urla, Raipur (CG) 493221

SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

Regd office 27/3, Jawahar Nagar, Near Agrasen Bhawan, Raipur (CG) 492001

NOTES :**1. Explanatory Statement.**

The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to Special Business under Item No. 4 is annexed herewith.

2. Proxy.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself on a poll only and the proxy need not be a member of the company. Proxy forms should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

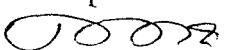
3. Book Closure

The Register of Members and share transfer books of the Company shall remain closed from 24th September, 2007 to 27th September, 2007 (both days inclusive).

Place: Raipur

Date: 10th August, 2007

By Order of the Board


 (P. C. RAHEJA)
 Managing Director
ANNEXURE TO NOTICE**EXPLANATORY STATEMENT**

Pursuant to Section 173(2) of the Companies Act, 1956 the following Explanatory Statement sets out the material facts relating to Item No. 6 mentioned under the heading as SPECIAL BUSINESS:

Item No. 4:

With a view to comply with the provisions of Listing Agreement Shri Ravi Gulwani was appointed as an Additional Director in the meeting of the Board held on 1st January 2007 to act as Non executive Independent Director of the Company. As per the provisions of Section 260 his term of office is only up to the date of ensuing AGM. Therefore the members are requested to appoint him as a Director of the company. The company has received notice from a member pursuant to section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri Ravi Gulwani as the Director of the company.

Shri Ravi Gulwani is a Commerce Graduate and has experience in handling the accounts and financial matters.

A brief resume of Shri Gulwani his nature of expertise and names of companies of companies in which he holds directorship, membership or chairmanship of the Board/Committees as stipulated under clause 49 of Listing Agreement is provided in the report on corporate governance forming part of the Annual Report.

None of the Director of the company is interested or concerned in the proposed resolution.

Place: Raipur

Date: 10th August, 2007

By Order of the Board


 (P. C. RAHEJA)
 Managing Director

Factory: 671-678 Industrial Area Urla, Raipur (CG) 493221

SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

Regd office 27/3, Jawahar Nagar, Near Agrasen Bhawan, Raipur (CG) 492001

DIRECTORS' REPORT

Dear Shareholders,
SHREE RAJIV LOCHAN OIL EXTRACTION LIMITED

Your Directors have pleasure in presenting the Annual Report of the Company with the Audited Statement of Accounts and the Auditors' Report thereon for the Financial year ended 31st March, 2007.

The summarized financial result for the year ended 31st March 2007 are as under:

FINANCIAL RESULTS:

	Year ended 31.03.2007 (Rs. in lacs)	Year ended 31.03.2006 (Rs. in lacs)
Sales	616.70	694.55
Other Income	13.62	9.72
Total Income from Operations	630.32	704.27
Profit before Interest, Depreciation and Tax	24.50	12.40
Finance Charges	12.33	2.95
Depreciation for the year	7.10	7.84
Profit before Tax	5.07	1.61
Less: Provision for Income Tax & Fringe Benefit Tax	3.67	2.83
Add: Net Deferred Tax Asset	1.32	1.44
Net Profit after Tax	2.73	0.22
Add: Balance brought forward from previous year	(0.87)	(1.08)
Profit available for appropriations	1.86	(0.87)

DIVIDEND AND TRANSFER TO RESERVES:

In view of the accumulated losses your Directors could not recommend any dividend on the equity share capital of the Company for the year ended 31st March, 2007.

OPERATIONS:

Your company has produced 976.055 Quintals of Crude Oil in comparison to 1201.3 Quintals during the previous year. Your Company also produced 7952.339 Quintals of Deoiled Cake in comparison to 9379.35 Quintals during the previous year. The reason for decline in production was sluggish market demand during the previous year.

The Company's Gross Turnover for the Financial Year 2006-07 was Rs.616.70 lacs as compared to 694.55 lacs during the previous year.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

There is no foreign Exchange earnings or expenditure during the year under report

PARTICULARS OF EMPLOYEES :

None of the employees of the Company was in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence, particulars as required under the Companies (Particulars of Employees) Rules, 1975 are not given.

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SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

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DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Shri Harish Raheja retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

With a view to comply with the provisions of Listing Agreement Shri Ravi Gulwani was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 in the meeting of the Board held on 1st January 2007 to act as Non executive Independent Director of the Company. As per the provisions of Section 260 his term of office is only up to the date of ensuing AGM. Therefore the members are requested to appoint him as a Director of the company. The company has received notice from a member pursuant to section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri Ravi Gulwani as the Director of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) That your Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities; and
- (iv) That your Directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

Information on Conservation of Energy, required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, is provided as Annexure to this report.

AUDITORS:

M/s S.K. Bhamkar & Associates, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

AUDITORS' REPORT:

The Auditors in their Report have not made any qualifying remark.

CORPORATE GOVERNANCE:

A Management Discussion and Analysis, Corporate Governance Report and a Certificate from the Auditors' regarding compliance with the code of Corporate Governance as required as per Clause 49 of the Listing Agreement with the Stock exchanges are made part of the Annual Report.

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3. Book Closure

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Place: Raipur

Date: 10th August, 2007

By Order of the Board


(P. C. RAHEJA)
Managing Director

ANNEXURE TO NOTICE

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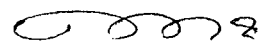
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Place: Raipur

Date: 10th August, 2007

By Order of the Board


(P. C. RAHEJA)
Managing Director

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ACKNOWLEDGEMENTS:

The Board expresses its sincere gratitude to the shareholders, bankers especially State Bank of Saurashtra, Union Bank, HDFC Bank, Dena Bank, Indusind Bank, State and Central Government Officials and clients for their continued support. The Board also wholeheartedly acknowledges with thanks the dedicated efforts of all the staff and employees of the Company.

For and on behalf of the Board of Directors



(SANJAY RAHEJA)
Chairman

Date : 10th August, 2007

Place : Raipur



Factory: 671-678 Industrial Area Urla, Raipur (CG) 493221

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ANNEXURE-"A" TO THE DIRECTOR'S REPORT.

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTOR'S REPORT.

A. CONSERVATION OF ENERGY

(A) Energy Conservation Measures Taken:

Your company has not undertaken any energy conservation measures.

(B) Additional Investments and proposals, if any being implemented for the reduction of energy consumption:

None at present

(C) The impact of measures at (A) and (B) above, for reduction of energy consumption and consequent impact on the cost of production of goods: Not applicable

(D) The required data in form A of the Annexure to the aforesaid Rules as applicable are furnished below:

I. POWER AND FUEL CONSUMPTION

Particulars	Units in KWA in lacs		Total Amount. Rs. In lacs		Average Amount per Unit/ Ltr/ MT	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Electricity Purchased (No. of units in lacs)	605710	666215	2694632	2828565	4.45	4.25

II. CONSUMPTION PER UNIT OF PRODUCTION

Particulars	PRODUCTION		CONSUMPTION		PER UNIT CONSUMPTION	
	(Units in MTs/units) Current Year	(Units in MTs/units) Current Year	(Units in MTs/unit.) Current Year	(Units in MTs/units) Previous Year	(Units in MTs/units) Current Year	(Units in MTs/units) Previous Year
Electricity	00	00	605710	666215		
Crude Oil	976.055	1201.30	976.055	1201.30	620.57	554.58
Deoiled Cake	7952.339	9379.35	7952.339	9379.35	76.17	71.03

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B. TECHNOLOGY ABSORPTION :

RESEARCH AND DEVELOPMENT (R & D)

(a) Research and Development :

1. Specific Area in R& D carried out by the Company : The Company has not taken up any R & D activities.
2. Benefits derived as a result of the Above R & D : Not Applicable
3. Future plan of action : Not yet decided
4. Expenditure on R & D. : Nil

For and on behalf of the Board of Directors



(SANJAY RAHEJA)
Chairman

Date : 10th August, 2007

Place : Raipur

Factory: 671-678 Industrial Area Urla, Raipur (CG) 493221