



Draft Red Herring Prospectus

Dated: November 5, 2007

Please read Section 60B of the Companies Act, 1956
(This Draft Red Herring Prospectus will be updated upon
filing with the RoC)

100% Book Building Issue

GOKUL REFOILS AND SOLVENT LIMITED

(Our Company was incorporated on December 29, 1992 as Gokul Refoils and Solvent Private Limited vide Registration No. 04-18745 under the Companies Act, 1956. Subsequently it was converted into a public limited company vide special resolution passed at the Extra Ordinary General Meeting of the Company held on May 2, 1994, pursuant to which we received a fresh certificate of incorporation dated July 1, 1994 by the Registrar of Companies, Gujarat. For further details please refer the chapter titled "History and Corporate Structure" on page 130 of this Draft Red Herring Prospectus.)

Registered Office: State Highway No. 41, Near Sujapur Patia, Sidhpur, Gujarat – 384 151 **Tel:** +91 2767 222 075, 220 975; **Fax:** +91 2767 223 475

Corporate Office: "GOKUL HOUSE", 43 - Shreemali Co-op. Housing Society Limited, Opp. Shikhar Building, Navrangpura, Ahmedabad - 380 009 **Tel:**+91 79 6630 4555 **Fax:**+91 79 6630 4543; **Email:**gokulipo@gokuloil.com; **Website:**www.gokuloil.com; **Company Secretary and Compliance Officer:** Mr. Manish Kella

PUBLIC ISSUE OF 77,00,000 EQUITY SHARES OF RS. 10 EACH OF GOKUL REFOILS AND SOLVENT LIMITED ("GOKUL" OR "OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO RS. [●] LACS (THE "ISSUE"). THE ISSUE COMPRISES A RESERVATION OF UPTO 75,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION") AND A NET ISSUE TO THE PUBLIC OF 76,25,000* EQUITY SHARES (THE "NET ISSUE TO THE PUBLIC"). THE NET ISSUE TO THE PUBLIC WILL CONSTITUTE 28.91% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE ISSUE WILL CONSTITUTE 29.19% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

* Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC.

PRICE BAND: Rs. [●] TO Rs. [●] PER EQUITY SHARE OF FACE VALUE Rs. 10 EACH.

THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE AT THE FLOOR PRICE OF THE PRICE BAND AND [●] TIMES OF THE FACE VALUE AT THE CAP PRICE OF THE PRICE BAND

In case of revision in the Price Band, the Bid / Issue Period will be extended by three additional days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and the by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the Syndicate. The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue to the Public shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, the remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, upto 75,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10/- per Equity Share and the Issue Price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Managers on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is drawn to the section titled "Risk Factors" beginning on page 12 of this Draft Red Herring Prospectus.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

[●] has assigned "IPO Grade [●]" to the proposed public issue of our Company. For more information on IPO grading, please refer to the chapter titled "General Information" beginning on page 41 of this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited") (the Designated Stock Exchange) and the National Stock Exchange of India Limited ("NSE"). The Company has received in-principle approvals from these Stock Exchanges for the listing of Equity Shares pursuant to letters dated [●] and [●] respectively.

BOOK RUNNING LEAD MANAGERS

ANANDRATHI

Anand Rathi Securities Limited
11th Floor, Times Tower, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Tel: +91 22 4047 7000
Fax: +91 22 4047 7070
Email: gokulipo@rathi.com
Website : www.rathi.com
Contact Person : Mr. Akshay Bhandari /
Mr. Manu Sharma

Intensive

Intensive Fiscal Services Private Limited
131, Mittal Tower, 13th Floor,
'C' Wing, Nariman Point,
Mumbai – 400 021
Tel : +91 22 2287 0443 - 45
Fax : +91 22 2287 0446
Email : gokulipo@intensivefiscal.com
Website : www.intensivefiscal.com
Contact Person : Mr. Brijesh Parekh

REGISTRAR TO THE ISSUE



Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (west),
Mumbai – 400 078
Tel : +91 22 2596 0320
Fax : +91 22 2596 0329
Email : gokulipo@intimespectrum.com
Website : www.intimespectrum.com
Contact Person : Mr. Sachin Achar

BID / ISSUE SCHEDULE

BID / ISSUE OPENS ON : [●] 2007

BID / ISSUE CLOSES ON : [●] 2007

TABLE OF CONTENTS

TITLE	Page No.
SECTION I: GENERAL	
Definitions and Abbreviations	1
Presentation of financial information and use of market data	9
Forward Looking Statements	11
SECTION II: RISK FACTORS	12
SECTION III: INTRODUCTION	
Summary of Industry and Business of our Company	36
Summary of the Financial Information	38
The Issue	40
General Information	41
Capital Structure	51
Objects of the Issue	63
Basis for Issue Price	79
Statement of Tax Benefits	82
SECTION IV: ABOUT OUR COMPANY	
Industry Overview	90
Our Business	97
Key Industry Regulations and Policies	126
History and Corporate Structure	130
Our Management	134
Our Promoters and Promoter Group	147
Related Party Transactions	152
Dividend Policy	155
SECTION V: FINANCIAL INFORMATION	
Financial Statements	156
Financial Information of Group Companies	183
Financial Indebtedness	190
Management's Discussion and Analysis of Financial Condition and Results of Operations	202
SECTION VI: LEGAL AND OTHER INFORMATION	
Outstanding Litigations	214
Government Approvals	225
SECTION VII: ISSUE RELATED INFORMATION	
Other Regulatory And Statutory Disclosures	239
Terms of the Issue	248
Issue Structure	251
Issue Procedure	255
SECTION VIII: DESCRIPTION OF EQUITY SHARES AND MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION	
Rights of Members	287
Main Provisions of the Articles of Association	288
SECTION IX: OTHER INFORMATION	
Material Contracts and Documents for Inspection	333
Declaration	335

SECTION I: GENERAL**Definitions and Abbreviations**

TERM	DESCRIPTION
“Our Company” or “the Company” or “Gokul Refoils and Solvent Limited” or “Gokul” or “GRSL” or We” or “our” or “us” or “the Issuer”	Unless the context otherwise requires these words refer to Gokul Refoils and Solvent Limited, a company incorporated under the Companies Act, 1956.

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	Articles of Association of our Company.
Auditors / Statutory Auditor	The statutory auditors of our Company, M/s. M. R. Pandhi & Associates, Chartered Accountants.
Board / Board of Directors	Board of Directors of our Company.
Corporate Office of our Company	“Gokul House”, 43 - Shreemali Co-op Housing Society Limited, Opp. Shikhar Building, Navrangpura, Ahmedabad – 380 009
Director(s)	Director(s) of Gokul Refoils and Solvent Limited, unless otherwise specified.
Key Managerial Personnel	Those individuals described in the chapter titled “Our Management- Key Managerial Personnel” beginning on page 144 of this Draft Red Herring Prospectus.
Memorandum / Memorandum of Association/ MoA	Memorandum of Association of our Company.
Promoters	Mr. Balvantsinh Rajput, Mr. Kanubhai Thakkar, Mrs. Bhikiben Rajput and Mrs. Manjulaben Thakkar.
Promoter Directors	Mr. Balvantsinh Rajput and Mr. Kanubhai Thakkar
Promoter Group	Unless the context otherwise specifies, refers to those entities mentioned in the chapter titled “Our Promoters and Promoter Group” on page 147 of this Draft Red Herring Prospectus.
Registered Office of our Company	State Highway No. 41, Near Sujanpur Patia, Sidhpur, Gujarat – 384151
SBI Consortium	A consortium of banks who have extended credit facilities to us, being lead by State Bank of India, the other banks are Punjab National Bank, Development Credit Bank Limited, Central Bank of India, Bank of Maharashtra, State Bank of Indore, State Bank of Travancore, Union Bank of India and Dena Bank.
Gandhidham unit	The unit situated at Meghpar – Borichi, Galpadar Road, Near Sharma Resort, Taluka – Anjar, District – Kutch – 370 110, Gujarat.
Sidhpur unit	The unit situated at State Highway No. 41, Near Sujanpur Patia, District – Patan, Sidhpur – 384 151, Gujarat.
Surat unit	The unit situated at National Highway No. 8, Near Kamrej Sugar Factory, Navi Pardi, Taluka: Kamrej, District Surat, Gujarat.

Issue Related Terms

Term	Description
Allotment /Allot/ Allotted/ Allocated/ Allocation	Unless the context otherwise requires, the allotment of Equity Shares pursuant to this Issue.
Allottee	A successful Bidder to whom the Equity Shares are allotted.
Anand Rathi Securities Limited / Anand Rathi / ARS / ARSL	Anand Rathi Securities Limited, a company incorporated under the Companies Act and having its Corporate office at 11 th floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai -

	400 013, India.
Banker(s) to the Issue	[●].
Basis of Allotment	The basis on which Equity Shares will be allotted to Bidders under the Issue and which is described in the chapter titled “Issue Procedure - Basis of Allotment” beginning on page 279 of the Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid Price	The highest price at which the optional Bids have been made as indicated in the Bid-cum-Application Form
Bid/Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a Gujarati newspaper with wide circulation.
Bid/Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Gujarati newspaper with wide circulation.
Bid-cum-Application Form	The form used by a Bidder to make a Bid which will be considered as the application for Allotment pursuant to the terms of the Red Herring Prospectus and the prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form.
Bidding / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof.
Book Building Process / Method/ Route	100% Book Building route as provided in Chapter XI of the SEBI (DIP) Guidelines, in terms of which this Issue is being made.
BRLMs / Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being Anand Rathi Securities Limited and Intensive Fiscal Services Private Limited.
Business Day	Any day other than Saturday or Sunday on which commercial banks in Gujarat are open for business.
CAN / Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Cut-Off Price	Any price within the Price Band finalized by our Company in consultation with the BRLMs. Only Retail Individual Bidders and Employees investing in the Employee Reservation Portion are entitled to Bid at the Cut-Off Price, for a bid amount not exceeding Rs. 1,00,000/-. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-Off price.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited.
DP ID	Depository Participant’s Identity.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and

	size (in terms of value) of the Issue.
Eligible NRI(s)	NRIs from jurisdiction outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares allotted herein.
Eligible Employee / Employees (in the Employee Reservation Portion)	The term “Eligible Employee”, as used in the context of the Employee Reservation Portion, means a permanent employee of - Our Company or - Our Group Company viz. M/s. ‘Gokul Overseas’, or - Our Group Company viz. M/s. ‘Gujarat Gokul Power Limited’, who is an Indian national, based in India and physically present in India on the date of submission of the Bid-cum-Application form. Also, such persons should be a permanent employee on the Bid/Issue opening date. “Eligible Employee”, if any, who is a person resident outside India within the meaning of FEMA, is not eligible to invest in the Issue.
Employee Reservation Portion	The portion of the Issue being upto a maximum of 75,000 Equity Shares available for Allocation to Eligible Employees.
Equity Shares	Equity shares of our Company of Rs. 10/- each, unless otherwise specified in the context thereof.
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Escrow Collection Bank(s), the BRLMs and the Syndicate Members for collection of the Bid Amounts and where applicable, refunds of the amount collected to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted.
Intensive Fiscal Services Private Limited / Intensive	Intensive Fiscal Services Private Limited, a company incorporated under the Companies Act and having its registered office at 131, Mittal Tower, 13 th Floor, ‘C’ Wing, Nariman Point, Mumbai - 400 021, India.
Issue	This public issue of 77,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●]/- each aggregating to Rs. [●]/- Lacs. The Issue comprises a Net Issue to the Public of 76,25,000 Equity Shares and an Employee Reservation Portion of up to 75,000 Equity Shares. If the Pre-IPO Placement is completed, the Issue would be reduced to the extent of the Pre-IPO Placement.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date.
Issue Size	77,00,000 Equity Shares to be issued at the Issue Price amounting to Rs. [●]/- Lacs at the Floor Price and Rs. [●]/- Lacs at the Cap Price.
Issue Proceeds	The proceeds of the Issue that is available to our Company.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount.
MICR	Magnetic Ink Character Recognition
Mutual Funds/MFs	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 as amended.
Mutual Fund Portion	That portion of the Issue, being 5% of the QIB Portion or 1,95,000 Equity Shares available for allocation to Mutual Funds only, out of

	the QIB Portion.
NEFT	National Electronic Fund Transfer
Net Issue / Net Issue to the Public	The Issue size as adjusted for Pre-IPO Placement, less the Employee Reservation Portion.
Net Proceeds	The issue proceeds less the issue expenses. For further information about use of the issue proceeds and the issue expenses please refer to the chapter titled “Objects of the Issue” on page 63 of this Draft Red Herring Prospectus.
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000/-.
Non-Institutional Portion	The portion of the Net Issue to the Public being 11,43,750 Equity Shares, of Rs. 10/- each available for allocation to Non-Institutional Bidders being not less than 15% of the Net Issue to the Public.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable.
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN.
Pre-IPO Placement	Pre-IPO placement of the Equity Shares of our Company prior to the Issue which is being considered. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 25% of the post Issue capital being offered to the public. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO placement is not done the Equity Shares shall be offered in the Issue
Price Band	The Price band with a minimum price (floor Price) of Rs. [●]/- and the maximum price (Cap Price) of Rs [●]/- and includes revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLMs finalises the Issue Price.
Prospectus	The Prospectus to be filed with the RoC after the pricing date, in accordance with Section 60 of the Companies Act, containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information.
Public Issue Account	The Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount or otherwise, as prescribed by SEBI from time to time
QIB Portion	The portion of the Net Issue to the Public being 39,00,000 Equity Shares of Rs. 10/- each to be Allotted to QIBs being not more than 50% of the Net Issue to Public.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs.
Red Herring Prospectus/ RHP	The Red Herring Prospectus dated [●] issued in accordance with

	Section 60B of the Companies Act, which does not have complete particulars of price at which the Equity Shares are offered and the size of the issue. The Red Herring Prospectus will be filed with the RoC atleast 3 days before the Bid/ Issue opening date and will become a Prospectus upon filing with the RoC after the Pricing date.
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made.
Refund Bank	[●]
Refund through electronic transfer of funds	Refunds through electronic transfer of funds mean refunds through ECS, Direct Credit, RTGS or NEFT as applicable.
Registrar to the Issue	Intime Spectrum Registry Limited having its registered office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078
Retail Individual Bidder(s)	Individual Bidders (including HUFs, Minors) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000/- in any of the bidding options in the Issue (including HUF applying through their Karta or minor applying through their natural guardian and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Net Issue to the Public being 26,68,750 Equity Shares of Rs. 10/- each available for allocation to Retail Individual Bidder(s) being not less than 35 % of the Net Issue to the Public.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
Stock Exchanges	BSE and NSE.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company, in relation to the collection of Bids in this Issue.
Syndicate Members	Anand Rathi Securities Limited and Intensive Fiscal Services Private Limited.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The Agreement among the members of the Syndicate and our Company to be entered into on or after the Pricing Date.

ABBREVIATIONS:

ABBREVIATION	FULL FORM
A/c	Account
AGM	Annual General Meeting
Air Act	Air (Prevention and Control of Pollution) Act, 1981, as amended.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BMD	Bursa Malaysian Derivatives Market which is the largest futures market for crude palm oil
Bonus Act	The Payment of Bonus Act, 1965, as amended.
BPLR	Below Prime Lending Rate
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
CLRA	The Contract Labour (Regulation and Abolition) Act, 1970, as amended.

CNF	Clearing and forwarding agents.
D/E Ratio	Debt Equity Ratio
DP	Depository Participant
DPID	Depository Participant Identification
EBDITA	Earnings Before Depreciation, Interest, Tax and Amortization
EGM	Extraordinary General Meeting
EPC	Export Promotion Council.
EPCG Scheme	Export Promotion Capital Goods Scheme.
EPS	Earnings Per Equity Share i.e. profit after tax divided by outstanding number of Equity Shares at the end of the period.
ESI Act	The Employees State Insurance Act, 1948, as amended.
ESOS/ESPS	Employee Stock Option Scheme / Employee Stock Purchase Plan
EU	European Union
Factories Act	The Factories Act, 1948 as amended
FCNR/FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations there under and amendments thereto.
FIEO	Federation of Indian Export Organization
FII/FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FOB/Free on Board	The vendor fulfills its obligation to deliver when the goods are delivered to the freight forwarder designated by the customer, who is responsible for all freight costs and customs clearance.
FVCI	Foreign Venture Capital Investor registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FY / Fiscal	Financial year ending March 31 st
GAAP	Generally Accepted Accounting Principles
GATT	General Agreement on Tariffs and Trade.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GITCO	Gujarat Industrial and Technical Consultancy Organization Limited.
GoI/ Government	Government of India
GPCB	Gujarat Pollution Control Board.
Gratuity Act	The Payment of Gratuity Act, 1972, as amended.
HOD	Head of Department
HR	Human Resources
HUF	Hindu Undivided Family
I.T. Act	The Income Tax Act, 1961, as amended.
I.T. Rules	The Income Tax Rules, 1962, as amended.
ICAI	The Institute of Chartered Accountants of India
INR/ Rs	Indian National Rupee
IPO	Initial Public Offering
KASEZ	Kandla Special Economic Zone
Kg	Kilograms
Kms	Kilometers
Lacs/ Lakhs	One Hundred Thousand
MAT	Minimum Alternate Tax
MoU	Memorandum of Understanding
MT	Metric Tonne
MTD	Metric Ton per day
N. A. / n.a.	Not Applicable
NAV	Net Asset Value being paid-up Equity Share Capital plus free reserves (excluding reserves created out of revaluation) less

	deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit & Loss account, divided by outstanding number of Equity Shares at the end of the period.
NRE/NRE Account	Non-Resident External Account
NRI	Non-Resident Indian
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of atleast 60% by NRIs including overseas Trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA OCBs are not allowed to participate in this issue
P. A / p.a.	Per Annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer
RoC	Registrar of Companies, Gujarat, ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013
RoNW	Return on Net Worth
Rs.	Indian Rupees
Sec.	Section
SWOT Analysis	Strengths Weaknesses Opportunity and Threat Analysis.
TEV	Techno Economic Viability.
TPD	Tonne Per Day.
w.e.f	With effect from
WTO	World Trade Organization.

Technical and Industry Related Terms:

Term	Industry
Bleaching	Process of improving the color of the oil to acceptable level
Castor Oil	Vegetable Oil obtained from the Castor seed
CNG	Compressed Natural Gas.
Crop Year / Crop Season	The year beginning from October of a year and ending in November of the next year.
Cottonseed Oil	Cotton seed is classified as a vegetable oil. It is extracted from the cotton plant or more accurately from the seeds.
Degumming	Process of removal of phosphatides & other limy materials in Crude oil
Dehulling	Process of cracking Soyabeans and removing the hull.
Deodorizing	Process of removing impurities which impart objectionable odours or flavour to the oil
De-oiled Cake	A by product, substance obtained after the extraction of oil from seeds whether by expelling or solvent extraction
DEPB Scheme	Duty Entitlement Pass Book Scheme.
DG	Diesel Generator.
Edible oil	A liquid fat that is capable of being eaten as a food or food accessory
ETP	Effluent Treatment Plant.
Groundnut oil	Another name for Peanut Oil which is an organic Oil derived from Peanuts
Hydrogenation process	The process of converting liquid Oil into Vanaspati ghee.

Mustard solvent oil	Oil produced from Mustard seed
Mustard Seeds / Rapeseeds	Small seeds from various Mustard plants namely black mustard, brown Indian mustard & white or yellow mustard, also known as Rapa, Rapa seed & Canola, is a bright yellow flowering member of the Mustard Family.
Palm oil	Palm Oil is derived from the flesh of the fruit of the oil palm species.
Palmolein	It is the liquid fraction obtained by fractionation of palm oil.
RO Plant	Reverse Osmosis Plant
SEA	Solvent Extractors' Association of India
Soyabean Extract / Soy Meal	A substance obtained after the extraction of oil from Soy seeds whether by expelling or solvent extraction
Soyabean oil	Widely used Vegetable oil from Soybean seeds
Sunflower oil	A Non-volatile Oil expressed from Sunflower Seeds commonly used in food as a frying Oil
Vanaspati Ghee	It is a name for a fully or partially Hydrogenated vegetable cooking Oil

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Unless stated otherwise, the financial information used in this Draft Red Herring Prospectus is derived from our Company's restated financial statements as of and for the years ended on March 31, 2003, 2004, 2005, 2006 and 2007 and for the four months period ended on July 31, 2007, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI Guidelines, as stated in the report of our Statutory Auditors, M/s M. R. Pandhi & Associates, Chartered Accountants, included in this Draft Red Herring Prospectus. Financial information relating to the twelve months period ended on March 31, 2007 included in this Draft Red Herring Prospectus have been derived from the audited financial statements for such period, prepared in accordance with Indian GAAP and the Companies Act, as set forth in the report of our Statutory Auditors.

Our fiscal year commences on April 1 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a fiscal year (e.g., fiscal 2007), are to the fiscal year ended March 31 of a particular year.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lacs / Lakhs" means "one hundred thousand". Further, any discrepancies in any table between the total and the sum of the amounts are due to rounding-off. Throughout this Draft Red Herring Prospectus, currency figures have been expressed in "Lacs" except those, which have been reproduced/ extracted from sources as specified at the respective places.

There are significant differences between Indian GAAP and US GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Use of Market Data

Market data used in this Draft Red Herring Prospectus have been obtained from industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent source.

Further the extent to which the market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with the understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different industry sources.

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, all references to “Rupees” and “Rs.” are to the legal currency of India, all references to “U.S. Dollar”, and “US\$” are to the legal currency of the United States of America and references to “Euro” are to the official currency of the Euro Zone .

Any percentage amounts, as set forth in “Risk Factors”, “Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of financial statements prepared in accordance with Indian GAAP.

FORWARD - LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans goals are also forward-looking statements.

Important factors that could cause actual results to differ materially from expectations include, but are not limited to, the following:

- The growth of the Edible Oil sector and the availability of raw material and prices in India;
- General economic and business conditions in India;
- Our ability to manage our growth effectively;
- Our ability to finance our business growth and obtain financing on favourable terms;
- The extent to which our projects qualify for percentage of completion revenue recognition;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our ability to anticipate trends in and suitably expand our current business lines;
- Changes in technology
- The extent to which we can develop new businesses;
- Our ability to meet out capital expenditure requirements
- Raw material costs;
- Our dependence on key personnel;
- Contingent liabilities, environmental problems and uninsured losses;
- Government approvals;
- Changes in government policies and regulatory actions that apply to or affect our business;
- and
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Government;
- Changes in laws and regulations;
- Increasing competition in and the conditions of our customers;
- Changes in political and social conditions in India; and
- Performance of the financial markets, Indian and global.

For further discussion of factors that could cause our actual results to differ, refer the chapters titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 12 and 202. Neither our Company nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making any investment decision relating to the Equity Shares. If any of the following risks actually occur, our business, results of operations, financial condition and prospects could suffer and the market price of our Equity Shares could decline.

Prior to making an investment decision, prospective investors should carefully consider all the information contained in this Draft Red Herring Prospectus, including the restated financial statements included in this Draft Red Herring Prospectus beginning on page 156. Unless stated otherwise, the financial data in this section is as per our Company's restated financial statements prepared in accordance with Indian GAAP.

Note: Unless specified or otherwise stated in the relevant risk factors set forth below, our Company is not in a position to quantify the financial or other implications of any risks mentioned herein under:

Materiality:

The risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- Some events may not be material individually, but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may have material impact in the future.

The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.

A. RISK FACTORS SPECIFIC TO THE PROJECT AND INTERNAL TO THE COMPANY:

RISK ARISING OUT OF OUTSTANDING LITIGATIONS INVOLVING THE COMPANY

CASES FILED BY OUR COMPANY

I. CIVIL LITIGATION

Sr. No.	Opposite Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the Balance Sheet – Yes/No/NA
Case under the Companies Act, 1956					
1.	The Registrar of Companies, Ahmedabad, Gujarat	Company Law Board, Western Regional Bench, Mumbai	A petition before the Company Law Board seeking condonation of delay in filing of the charge on the grounds that the Bank did not have a digital signature at the branch level at relevant time.	This petition is pending before the Company Law Board.	No.

II. Criminal Litigation

Sr. No.	Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the
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					Balance Sheet – Yes/No/NA
Cases under the Negotiable Instruments Act, 1881					
1.	Shailesh Kumar Jayantilal Shah, Ketan Kumar Jayantilal Shah, Vimal Kumar Jayantilal Shah, partners of Gautam Trading, Surendranagar	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 743/2006	Case filed under Sec. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 40,000.	The court has issued summons to the opposite party. The case is currently pending.	No
2.	Shailesh Kumar Jayantilal Shah, Ketan Kumar Jayantilal Shah, Vimal Kumar Jayantilal Shah, partners of Gautam Trading, Surendranagar	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 744/2006	Case filed under Sec. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 40,560.	The court has issued summons to the opposite party. The case is currently pending.	No
3.	Lalbhai Motwani, proprietor of Ashapura Trading Co., Surat	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 270/2005	Case filed under Sec. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 34,100.	The Court has issued summons to the opposite party. The matter is currently pending.	No
4.	Lalbhai Motwani, proprietor of Ashapura Trading Co., Surat	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 271/2005	Case filed under Sec. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 33,370.	The Court has issued summons to the opposite party. The matter is currently pending.	No
5.	Jitendrasingh Kalyanmal Singhal, proprietor of Maya Sales Corporation, Indore	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 576/2005	Case filed under Sec. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 6,75,000.	The court has issued summons to the opposite party. The case is currently pending.	No
6.	Jitendrasingh Kalyanmal Singhal, proprietor of Maya Sales Corporation, Indore	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 577/2005	Case filed under S. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 11,00,000.	The court has issued summons to the opposite party. The case is currently pending.	No
7.	Ashish Kumar K Vyas, proprietor of Ashish Oil Traders, Ahmedabad	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 907/2005	Case filed under S. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 45,000.	The court has issued summons to the opposite party. The case is currently pending.	No
8.	Ashish Kumar K Vyas, proprietor of Ashish Oil Traders, Ahmedabad	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 908/2005	Case filed under S. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 45,750.	The court has issued summons to the opposite party. The case is currently pending.	No
9.	Dilip Kumar Dhanjibhai Thakkar and Shantilal J Thakkar, partners of Dilip Kumar & Co., Harij, Dist. Patan	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 928/2002	Case filed under Sec. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 60,000.	The Court has issued warrant to the opposite party. The matter is currently pending.	No

10.	Dilip Kumar Dhanjibhai Thakkar and Shantilal J Thakkar, partners of Dilip Kumar & Co., Harij, Dist. Patan	Judicial Magistrate First Class, Sidhpur Criminal Complaint No. 929/2002	Case filed under Sec. 138 of the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 60,000.	The Court has issued summons to the opposite party. The matter is currently pending.	No
Statutory Notices Issued under the Negotiable Instruments Act, 1881					
1.	Surutaben Vivek Pradhan proprietor of Shraddha Agency, Bajwa	Judicial Magistrate First Class, Sidhpur	Notice issued by our Company on January 16, 2002, June 19, 2002 and September 5, 2007 under the Negotiable Instruments Act, 1881 for dishonoured cheque of Rs. 10,000.	This matter is currently pending.	No
2.	Saurashtra Traders	N.A.	Notice issued by our Company on June 22, 2001 and October 15, 2001 under the Negotiable Instruments Act, 1881 for dishonoured cheques of Rs. 13,825 and Rs. 7,825.	The matter is currently pending.	No

III. Tax Litigation

Sr. No.	Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the Balance Sheet – Yes/No/NA
Appeal under Sales Tax					
1.	Joint Commissioner of Sales Tax	Joint Commissioner of Sales Tax, Ahmedabad	As per the assessment order sales tax payable was shown as Rs. 90,62,278 whereas our Company paid sales tax of Rs. 88,19,423. Therefore, the dispute in question was of Rs. 2,40,855. Our Company filed an appeal before the Joint Commissioner, Sales Tax for the disputed amount.	This case is currently pending.	Yes

CASES FILED AGAINST OUR COMPANY**I. CIVIL LITIGATION**

Sr. No.	Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the Balance Sheet – Yes/No/NA
Case under the Code of Civil Procedure, 1908					
1.	M/s Bhagavan	Court of Civil	The plaintiff/appellant under	The court granted	N.A.

	Traders	Judge (Senior Division) at Madhugiri R.A. No. 30 of 2007	Order 39 Rule 1 & 2 of the Code of Civil Procedure, 1908, filed an application for temporary injunction against our Company to realize bank guarantee of Rs. 50,00,000.	the injunction <i>ex parte</i> on August 20, 2007 in favour of the plaintiff/appellant. The defendant/our Company filed an application against this under Order 7 Rule 11(d) of the Code of Civil Procedure, 1908, for vacation of the interim injunction. The court vacated the injunction by order dated October 8, 2007. The plaintiff/appellant has now filed an appeal under S. 96 of the Code of Civil Procedure Code, 1908 against vacation of temporary injunction order, which is still pending.	
Case under the Motor Vehicles Act, 1988					
1.	Thakor Kubhaji Baldevji and Bajaj Allianz General Insurance Company Limited	Motor Accident Claims Tribunal, Patan Case No. 188/2005	Injuries sustained by the claimant due to an accident which took place on August 25, 2005 with a Mahindra Scorpio being driven by an employee of our Company. The claimant has prayed for a claim amount of Rs. 2,00,000 and has filed an application for interim relief under S. 140 of the Motor Vehicles Act, 1988 for an amount of Rs. 25,000.	The claim is pending before the MACT and no reply has been filed by our Company until date as the case is primarily against the insurance company and we are involved merely because of third party insurance clause.	N.A.
2.	Bhargava Hardevsingh Jadeja and Oriental Insurance Company Limited	Motor Accident Claims Tribunal, Gandhidham, Kachchh Case No. 486/2005	Injuries/death sustained by the claimant due to an accident, which took place with a vehicle, No. GJ 12X 9855 being driven by an employee of our Company. The claimant has prayed for compensation.	The claim is pending before the MACT and a reply was filed by our Company on July 28, 2006. The case is primarily filed against the	N.A.

				insurance company and we are involved because of the third party insurance clause.	
Intellectual Property					
1.	M/s. Kolhapur Zilla Sahakari Dudh Utpadak Sangh Limited	Registrar of Trade Marks, Ahmedabad	Company's application for Trade Mark registration has been opposed on the grounds that the opposite party has registered proprietorship and exclusive rights over the Trade Mark "Gokul".	This matter is currently pending.	N.A.

II. CRIMINAL LITIGATION

Sr. No.	Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the Balance Sheet – Yes/No/NA
Cases under the Prevention of Food Adulteration Act, 1954					
1.	Food Inspector, Food and Drug Administration, Pune	Food and Drug Administration, Pune	Notice dated January 24, 2007 issued as reminder to our Company that in absence of us appointing any responsible person as nominee as per S. 17(2) of the Prevention of Food Adulteration Act, 1954 (the "PFA") our Company is to submit a list of its directors and other person who are responsible for the business of our Company at Pune as on September 25, 2006.	This matter is currently pending.	N.A.
2.	State of Rajasthan through Food Inspector, Food and Drug Administration, Jaipur	Court of Chief Judicial Magistrate, Jaipur Case No. 590/2006	Case under S. 7(i) (iii) and S.16 of the Prevention of Food Adulteration Act, 1954 and Prevention of Food Adulteration Rules 49/50 for sample of refined palm oil.	This case is currently pending.	N.A.
3.	State of Rajasthan through Food Inspector, Food and Drug Administration, Jaipur	Court of Chief Judicial Magistrate, Jaipur	Case for adulterated refined soya bean oil.	This case is currently pending.	No
4.	Office of the Nagpur Municipal Corporation, Nagpur	Nagpur Municipal Corporation, Nagpur	Notice of intimation issued by the Local Health Authority and Health Officer (S), Nagpur to our Company under S. 13(2) of the Prevention of Food Adulteration	We have not yet received notice from the Court asking for our reply, however	No

			Act, 1954 in the matter of sample of food article vanaspati taken from Mr. Sudhir Radhesyham Tiwari, Nagpur on September 28, 2005 by Food Inspector Mr. A.N. Yadav for the purposes of laboratory analysis. A proSec.ution has been launched against our Company vide criminal case No. 2599/2007 in the court of the Additional Chief Judicial Magistrate, Nagpur on July 30, 2007.	we have communicated to the Food and Drug Administration that we have nominated a person under the Prevention of Food Adulteration Act, 1954 for the production site. The matter is pending.	
5.	Office of the Thane Municipal Corporation, Thane	Chief Judicial Magistrate Municipal Corporation, Thane	Notice of intimation issued by the Local Health Authority and Health Officer, Thane to our Company that a proSec.ution has been launched against our Company vide criminal case No. 578/2007 in the court of the Chief Judicial Magistrate, Thane on August 30, 2007.	Our Company in its reply dated August 10, 2007 has sent its names and address along with the other details as required by the respective authority and the matter is currently pending.	No

III. Tax Litigation

Sr. No.	Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the Balance Sheet – Yes/No/NA
Customs Notice					
1.	Additional Commissioner, Office of the Commissioner of Customs, Ahmedabad	Office of the Commissioner of Customs, Ahmedabad	Vide this notice dated September 7, 2007 our Company has been informed that the Commissioner of Customs, Kandla has been made the adjudicating authority to decide on the show cause notice dated April 20, 2007. Vide the show cause notice dated April 20, 2007 our Company had been asked to show cause as to why customs duty amounting to Rs. 1,24,83,454 along with interest should not be recovered and demanded from us.	Our Company replied to show cause notice dated April 20, 2007 on July 2, 2007 stating that it had not indulged in any illegal activities and that the proceedings initiated against our Company were wholly incorrect as we had. We have not yet replied to the notice dated	NO

				September 7, 2007 and the matter is currently pending.	
2.	Office of the Commissioner of Customs, Ahmedabad	Commissioner of Customs, Ahmedabad	Vide this notice dated September 24, 2007 our Company was informed that the personal hearing for the subject matter would be on October 17, 2007. This notice was in pursuance to an earlier show cause notice dated September 14, 2005 wherein our Company was charged with obtaining DEPB licenses fraudulently.	The representatives of our Company were present for the personal hearing and same arguments as forwarded by us in our earlier reply dated July 10, 2006 were contended, mainly that we are bona fide purchasers of DEPB, for value without any notice that the DEPB was obtained fraudulently by M/s. M.K. Industries & others.	N.A.
3.	Superintendent (Customs), Office of the Commissioner of Customs CFS, Ludhiana	Commissioner of Customs CFS, Ludhiana	Notice dated September 28, 2007 issued to our Company for investigation of fraudulent availment of DEPB and asking our Company to supply copies of the Bill of entry no. 5883 dated April 22, 2004 and 5884 dated April 22, 2004 vide which the goods were imported at Kandla port. This notice was in reference to another notice dated March 15, 2007 wherein our Company had been asked to show cause regarding evasion of customs duty by way of fraudulent use of DEPB Scrip originally issued to M/s Nahar Mills Ltd., Ludhiana.	In our reply dated April 4, 2007 to the Customs authority, we had given details of DEPB license no. 3010032636 dated March 15, 2004 for Rs. 17,62,025 along with transfer letter issued by M/s Nahar Mills Ltd. and the verification report of shipping bills pertaining to this DEPB. Our Company has replied to letter No. C.N. VIII-CUS/CFS/PREV /DGFT/5/07/173/1726 on September 30,	N.A.

				2007 and enclosed copies of the requisite documents as required by the authority.	
4.	Office of the Commissioner of Customs, Kandla	Commissioner of Customs, Kandla	Show cause notice issued to our Company on January 22, 2007 calling upon us as to why interest on 4% custom duty should not be levied.	Our Company replied to this show cause notice its letter dated October 9, 2007 and requested them to adjourn the date of the personal hearing due to the non availability of the concerned person. This matter is currently pending.	No
Income Tax Notice					
1.	Assistant Commissioner of Income Tax, Patan	Commissioner of Income Tax, Patan	Notice dated June 20, 2007 issued to our Company for default in payment of dues under S. 156 and S. 220(2) of the Income Tax Act, 1961 for the assessment year 2006-07 of Rs. 21,235. Our Company has also been asked to show cause, why penalty under S. 221(1) should not be levied for the demand outstanding.	The matter is pending before the Department of Income Tax. However, our Company will take it up along with adjustment of tax payable against rectification/refund of the earlier year.	N.A.
2.	Additional Commissioner Of Income Tax, Patan	Commissioner of Income Tax, Patan	Notice dated August 8, 2007 issued to our Company under S. 142(1) of the IT Act, 1961 for the Assessment Year 2005-2006. Our Company was asked to produce various evidences in support of IT return..	The assessment is still pending and our Company vide its consultant D.P. Thakker & Co. has taken an adjournment during the personal hearing held on August 17, 2007.	N.A.
3.	Income Tax Officer, Ward-1, Patan (N.G.)	Income Tax, Patan	Notice dated December 4, 2006 issued to our Company under S. 142, 147 and 148 of the IT Act, 1961 for re-opening of assessment for the Assessment Year 2003-2004.	Our Company vide its letter dated December 14, 2006 has replied and questioned the validity of	N.A.

				notices issued under S. 147 and S.148 of IT Act on the ground that the assessment proceedings of these years have already been completed under S. 143(3) of IT Act.	
4.	Deputy Commissioner of Income Tax, Patan Circle, Patan	Deputy Commissioner of Income Tax, Patan Circle, Patan	Notice under S. 156 of the IT Act, 1961 issued to our Company regarding demand for tax payable of Rs. 50,687 for the Assessment Year 2003-2004.	Our Company has vide its consultant M/s. D.P. Thakkar & Co. filed a reply dated August 25, 2006 for making adjustment of the said demand against refunds/rectification of earlier years.	N.A.
5.	Income Tax Officer, Ward-1, Patan (N.G.)	Income Tax Officer, Ward-1, Patan (N.G.)	Notice dated December 4, 2006 issued to our Company under S. 142, 147 and 148 of the IT Act, 1961 for re-opening of assessment for the Assessment Year 2002-2003.	Our Company vide its letter dated December 14, 2006 has replied and questioned the validity of notices issued under S. 147 and S.148 of IT Act on the ground that the assessment proceedings of these years has already been completed under S. 143(3) of IT Act.	N.A.
Service Tax Notice					
1.	Superintendent, Central Excise, AR Sidhpur	Superintendent ,Central Excise,AR Sidhpur	Notice dated September 21, 2007 issued to our Company for unpaid service tax on Business Auxiliary Services and asking our Company to submit information/documents related to total quantities and value of crude palm oil imported in high-sea purchase during the period September 10, 2004 to March 31, 2006.	Our Company has provided the above information vide its reply dated October 8, 2007.	N.A.

POTENTIAL LITIGATIONS**I. CIVIL LITIGATION**

Sr. No.	Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the Balance Sheet – Yes/No/NA
Notices Issued by our Company to recover money					
1.	Mahavir Traders, Dahegam	N.A.	Notice issued on July 31, 2003 to recover Rs. 69,525 along with interest for sale of refined soya bean oil.	This matter is currently pending.	No
2.	Prafulkumar Jayantibhai Vadheria	N.A.	Notice issued on January 8, 2002 to recover Rs. 20,000 for purchase of refined soya bean oil.	This matter is currently pending.	No
Notices Issued to our Company					
1.	Mrs. Krishna Chaudhary and Ramesh Garva	N.A.	Notice issued on September 14, 2007 to our Company for our Gandhidham-Anjar factory creating air pollution.	Our Company has not replied to this notice, as there are no legal consequences of liability being imposed upon our Company because this is not a statutory notice.	N.A.
2.	Hari Om industries (partnership firm), Bharuch, Gujarat		Notice issued to our Company on September 12, 2007 to recover balance of Rs. 6,578 for sale of cotton oil.	Our Company has replied to this notice on September 21, 2007 and the matter is currently pending.	
3.	Mr. Maheshkumar Bafna	N.A.	Notice issued to our Company on August 31, 2007 alleging illegal retrenchment and demand for reinstatement along with retrenchment compensation including, arrears of salary, expenditure incurred and contribution to P.F., with the total amount being Rs. 76,000.	Our Company has replied to this on October 6, 2007 stating that the notice is based on false assumptions and that Mr. Maheshkumar Bafna is not entitled to receive anything from our Company as all his dues were cleared at the time of termination.	No

4.	Sri Gangadhareshwar Rice Industries, Tumkur	N.A.	Notice issued to the Company on August 10, 2007 and September 20, 2007 for violating terms of the lease agreement and for the balance rent payable.	Our Company has replied to the notice on October 25, 2007 stating that adequate notice, as per the terms of the lease agreement has been given. Moreover, that Sri Gangadhareshwar Rice Industries is in illegal possession of our Company's assets worth Rs. 1,50,000 in their godown and that they must hand over these assets. This matter is currently pending.	No
5.	M/s. Ennar Enterprises	N.A.	Notice issued to our Company on July 21, 2007 for violation of lease agreement and for unpaid rent of Rs. 1,42,560.	Our Company has replied to the notice on September 19, 2007 stating that our agreement was with M/s N.R. Enterprises and not with M/s Ennar Enterprises and hence the notice is per se invalid.	No

CASES FILED AGAINST OUR DIRECTOR

I. CIVIL LITIGATION

Sr. No.	Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the Balance Sheet – Yes/No/NA
Cases under the Motor Vehicles Act, 1988					
1.	Rajubhai Harunbhai Gunj	Motor Accident Claims Tribunal, Surendranagar Case no.	The victim has claimed compensation of Rs. 4,00,000. The case has been filed against one of our director, Mr. Dineshkumar Harishankar Sharma as he was the owner of the vehicle.	The claim is pending before the MACT and no reply has been filed by our Company or Mr. Dineshkumar Sharma until	No

		197/2006		date as the case is primarily against the insurance company and we are involved because of the third party insurance clause.	
2.	Bhupendra Kumar Natwarlal Golwala	Motor Accident Claims Tribunal, Surat Case No. 790/2005	The victim has claimed compensation of Rs. 3,00,000. The case has been filed against one of our director, Mr. Dineshkumar Harishankar Sharma as he was the owner of the vehicle.	The claim is pending before the MACT and no reply has been filed by our Company or Mr. Dineshkumar Sharma until date as the case is primarily against the insurance company and we are involved because of the third party insurance clause. The case will be placed in Lok Adalat in November 2007, and the insurance company will plead.	No
3.	Kishor Bhagwandas Zandawala	Motor Accident Claims Tribunal, Ahmedabad Case No. 260/1997	The victim has claimed compensation of Rs. 2,00,000. The case has been filed against one of our director, Mr. Dineshkumar Harishankar Sharma as he was the owner of the vehicle.	The claim is pending before the MACT and no reply has been filed by our Company or Mr. Dineshkumar Sharma yet as the case is primarily against the insurance company and we are involved because of the third party insurance clause.	No

CASES FILED AGAINST OUR PROMOTER/GROUP COMPANIES AND OTHER VENTURES OF PROMOTERS

(i) GOKUL OVERSEAS (GO)

Sr. No.	Parties	Authority before	Brief Particulars of the case	Present Status	Provision made in the
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		which pending			Balance Sheet – Yes/No/NA
Income Tax Notice					
1.	Assessing Officer, Income Tax Office, Patan	Assessing Officer, Income Tax Office, Patan	Notice dated February 21, 2007 under Sec.142 of the Income Tax Act, 1961. Accordingly GO was asked to furnish documents relevant to the income assessment for the Assessment Year 2006- 2007 on March 7, 2007.	This matter is currently pending assessment.	N.A.

(ii) **GOKUL TEXTILES PRIVATE LIMITED (GTPL)**

Sr. No.	Parties	Authority before which pending	Brief Particulars of the case	Present Status	Provision made in the Balance Sheet – Yes/No/NA
Income Tax Notice					
1.	Assessing Officer, ITO Ward 4(1), Ahmedabad	Assessing Officer, ITO Ward 4(1), Ahmedabad	Notice dated October 8, 2007 under Sec.. 143(2) of Income Tax Act, 1961 for the Assessment Year 2006-2007. Accordingly, GTPL was asked to furnish information regarding return of income submitted by GTPL on December 20, 2006.	The assessment for this matter is currently pending while GTPL has taken an adjournment for the same through personal hearing held on October 17, 2007.	N.A.

1. **We have not identified alternate sources of financing the ‘Objects of the Issue’. If we fail to mobilize the resources as per our plans, our growth plans may be affected.**

We have partly funded some of the proposed projects, including the purchase of non-agricultural land for both our proposed projects at Gandhidham and Surat for an amount of Rs. 258.32 Lacs, mentioned in the Chapter “Objects of the Issue” on page number 63 through internal accruals. We have not identified any alternate source of funding the balance requirement, and replenishing our reserve. Therefore, any failure or delay on our part to mobilize the required resources or any shortfall in the issue proceeds may delay the implementation schedule of our expansion projects and could adversely affect our growth plans.

2. **There is no monitoring agency appointed by Our Company.**

As per SEBI Guidelines, monitoring agency requires only for Issue size above Rs. 500 crores. So, provision of monitoring agency is not applicable. Therefore the deployment of funds will be at the discretion of our management and our Board of Directors. In addition, our capital

expenditure plans are subject to a number of variables, including possible cost overruns and changes in management's views of the desirability of our current plans.

3. Delay or non-receipt of certain regulatory approvals may delay our proposed expansion plans and would adversely affect our growth plans.

We are required to obtain a number of government licenses and statutory approvals for our proposed projects. We have applied for but are yet to receive certain licenses as disclosed in the section titled "Government Approvals" on page 225 of this Draft Red Herring Prospectus. If we are unable to obtain the requisite licenses in a timely manner or at all, our business operations and results may be affected.

4. The investor may incur opportunity cost for deployment of its funds' pending utilization.

Our Company, pending use of the net proceeds of the Issue, intends to invest the funds in high quality, interest and dividend bearing liquid instruments including money market mutual funds and inter-corporate deposits with banks. The investors may incur opportunity cost on the monies invested till the Issue proceeds are fully invested in the objects of the Issue.

5. The Gandhidham unit enjoys exemption from the payment of excise duty only until April 4, 2009.

The Company is currently enjoying excise duty exemption on the goods manufactured at the Company's plant in Gandhidham. This excise duty exemption will expire on April 4, 2009 which may result in increased tax outflow affecting the company's profitability. Our Company is currently enjoying excise duty exemption on it's by product only. Hence, the impact will not be material after April 4, 2009.

6. We have not yet started recruiting manpower for our proposed projects.

We require a total of 106 employees for both our proposed projects. As on the date of this Draft Red Herring Prospectus, we have already commenced the recruitment process for the required manpower.

7. We have not entered into any technology tie-ups for the proposed projects.

Our Company has adopted common and tested technology from the best of the supplier. So, any specific technology tie-up is not required.

8. We have filed an application for registering "Gokul" (English) as our Trade Mark. However the application is still pending with the Registrar of Trade Marks as an objection has been filed by M/s. Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd.

We filed an application for registering "Gokul" (English) as our Trade Mark on October 22, 1993. However, the application is still pending with the Registrar of Trade Marks because of objection filed by M/s. Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd. as they are the registered proprietors of the trademark "Gokul" in respect of milk and milk products. Our Company has been openly, extensively and continuously using "Gokul" as our brand name for all our operations, including business and marketing. In the event that the Registrar of Trade Marks rejects our trademark application, our Company may be subject to liability for damages or it may prevent us from using the the same logo or Trade Mark, which may impact our business and reputation.

Risks relating to our Business

9. Our business is dependant on the availability/supply and cost of raw materials which we source from domestic suppliers. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials, could adversely affect our

results of operations.

Raw materials, namely rape seed, mustard seed, mustard cake, etc., form the major raw materials for our business, and represent a significant portion of our expenses. For the financial year 2006 - 2007, financial year 2005 – 2006 and financial year 2004 - 2005, our total restated raw material costs amounted to Rs. 141,309 Lacs, Rs. 114,680.16 Lacs and Rs.102,603.77 Lacs which amounted to 88%, 91% and 91% of the total revenue in these respective years. Although we have established relationships with various domestic suppliers of raw materials, any significant increase in the prices of these raw materials or decrease in the availability of the raw materials for whatever reason, including climatic change, could adversely affect our results of operations and consequently, our sales and profitability.

10. Our company depends significantly on imports of raw materials in addition to domestic suppliers.

Due to the seasonal nature of availability of raw materials in India, we also rely on import of raw materials. Although we have not experienced a disruption in our supply of raw materials in the past, an inadequate supply of raw materials of sufficient quality caused either by the default of the supplier or for any other reason could hamper our operations. In such a situation, the raw material requirements can be met through domestic suppliers which may increase our cost. We may seek to pass on some or all of the additional costs of raw materials to customers; we cannot ensure you that we would be successful in doing so. This may adversely affect our results of operations, and consequently our sales and profitability.

11. Some of our Group companies have incurred losses.

Some of Our Group Companies have incurred losses and/or have negative net worth (pursuant to non consolidated financial statement) as set forth in the table below:

Name of Group company	Fiscal 2007	Fiscal 2006	Fiscal 2005
Maurigo International Limited	(USD 270,387)	Nil	Nil
Maurigo Pte Limited	(USD 7,624)	-	-
Shantiniketan Financial Services Private Limited	Rs.0.57 Lacs	Rs.0.34 Lacs	Rs.0.43 Lacs
Intra Oil and Grains Private Limited	NIL	Rs.1.5 Lacs	NIL

12. Our business is subject to regulation by several authorities, which could have an adverse effect on our business and our results of operations.

Our business is subject to regulation under the Prevention of Food Adulteration Act, 1954, the Gujarat Essential Articles (Licenses, Control and Stock, Declarations) Order, 1981, Edible Oils Packing (Regulation) Order, 1998, Vegetable Oil Products (Control) Order, 1947 etc., in the areas in which we operate, pollution control laws like the Environmental Protection Act, 1986, the Water (Prevention and Control of Pollution) Act, 1981, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management and Handling) Rules, 1989. For more details on the regulations and the policies that regulate our industry, please refer to the section titled “Key Industry Regulations and Policies” on page 126 of this Draft Red Herring Prospectus. If we cannot comply with all applicable regulations, our business prospects and results of operations could be adversely affected.

13. Our Company has entered into Memorandum of Understanding with Gujarat Minerals Development Corporation Limited (GMDC) for establishment of 125/135 MW Captive Power Plant under Special Purpose Vehicle Company registered under the Companies Act 1956 namely Gujrat Gokul Power Limited (GGPL).

Our Company's share currently in GGPL is 48% and the funds will be deployed from time to time over a period of next 3 years. If the project is not completed or implemented in time, it may affect the investment of Our Company in the same.

- 14. We may be required to pay certain amounts to the Government of India if we do not meet our export obligations pursuant to the Government of India's Export Promotion Capital Goods Scheme.**

We have imported some of our equipment under license pursuant to the Government of India's Export Promotion Capital Goods (EPCG) scheme. As a result, we are required to export goods amounting to Rs. 4334.24 Lacs. In addition, we plan to import machinery for the additional production facilities that we plan to import under the EPCG scheme. We, therefore, expect to be required to export additional goods, over eight (8) years from the date we import the additional machinery.

We may, from time to time, make additional imports pursuant to the EPCG scheme. If we do, our export obligations will expand. Our export is growing rapidly and after proposed expansion, our export will further increase and the period of 8 years should be sufficient to meet export obligation.

- 15. Our products are edible items, and any dispute with consumers, regarding the quality of our products, may negatively affect the image and reputation of the Company; and in turn our revenues and profitability.**

Our Company is involved in an extremely competitive industry, where goodwill and reputation are of huge significance. Refining of edible oil involves several complex processes like degumming, neutralizing, bleaching, and deodorizing. Although we have been in the business of refining edible oils for the past 15 years, any occurrence of negligence and/or oversight in the process of refining, may lead to impure oil being sold in the market which could be harmful for the consumers. Further, such incidences may expose our Company to liabilities and claims, which could adversely affect our growth and profitability.

- 16. We have limited production capabilities. As a result, we have been unable to market our products in an aggressive fashion.**

Our "Gokul" brand is being marketed only in the states of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh and Punjab. Due to the non-availability of finished products from existing plants, we are unable to aggressively penetrate other market areas.

- 17. The "Gokul" brand does not enjoy national recognition.**

Although we are currently working to build our "Gokul" brand and increase brand recognition in order to help us compete with and to distinguish ourselves from our competitors, we cannot assure you that this initiative will be successful.

- 18. We face significant competition, and if we are not able to compete effectively in the edible oils industry, our business, results of operations and financial conditions will be adversely affected.**

During the financial year 2006-2007, the edible/non-edible oil sales accounted for 86.6% of our total revenue. We face intense competition from both our direct competitors and bulk importers of edible oil in India. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing and timely delivery. Although we have competed successfully in the past, we cannot be certain that we will continue to compete effectively as we expand into new markets.

- 19. We depend on our suppliers for requirement of equipment and related component parts. Any problem with the equipment or these suppliers could have an adverse effect on our business or results of operations.**

Our production facilities are equipped with equipment manufactured by a number of manufacturers in Germany, Turkey, US and India. We rely on the manufacturers of the equipment to provide us with component and replacement parts for our refining, seed crushing and related equipment. If we encounter difficulties with this equipment and the manufacturers are unwilling or unable to assist us in correcting such difficulties in a timely fashion or at all, or if any of the manufacturers were to stop supporting such equipment or were to go out of business, we could face serious disruption in our operations. Although we might be able to acquire alternative equipment, we might be able to do so only at significant expense or encounter significant delays in doing so, causing disruption to our production operations. Moreover such alternative equipment might not meet the same quality standards as our current equipment and might require us to provide retraining to certain of our employees. Such costs, lower quality or disruptions could have an adverse effect on our business or results of operations.

- 20. We do not have long-term contracts with suppliers and typically operate on the basis of purchase orders.**

As we typically operate on the basis of purchase orders, the terms governing our transactions with suppliers may, as a legal matter, be unclear. In particular, where the terms provided in our documentation vary from those provided in the purchase orders of our suppliers, we cannot assure you that the terms we have presented will govern and we may, as a result, be subject to additional conditions in respect of our supplier transactions. If this were to occur, it could affect our revenues and profitability.

- 21. We are heavily dependant on our Promoters and the loss of their guidance and services may adversely affect our business or results of operations.**

Our success and future performance is substantially dependent on the guidance and foresight of our Promoters. The loss of the services of the Promoters, for any reasons whatsoever, could have an adverse effect on our business and results of operations.

- 22. We are dependant on our senior management team and the loss of team members may adversely affect our business or results of operations.**

We have a team of professionals to oversee the operations and growth of our businesses. Our success and future performance is substantially dependent on the expertise and services of our management team, including our senior management team, our Directors and other key managerial personnel. The loss of the services of such management personnel or other key personnel could have an adverse effect on our business and results of operations. Further, our ability to maintain our leadership position in the edible oils business depends on our ability to attract, train, motivate and retain highly skilled personnel. For further details, see “Our Management” on page 134 of this Draft Red Herring Prospectus.

- 23. Our business is dependent on our production facilities and the loss of or shutdown of operations of the production facilities could adversely affect our business or results of operations.**

We currently have three (3) production facilities, at Sidhpur, Gandhidham, and Surat. Our production facilities are subject to operating risks, such as the breakdown or failure of equipment, performance below expected levels of output or efficiency, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our production facilities use heavy equipment and machinery, and whilst that equipment and machinery is insured, the breakdown or failure of such equipment or machinery may result in us having to make repairs or procure replacements, which may take

considerable time or expense. Accordingly, any significant operational problems or the loss of our manufacturing facilities for an extended period of time could adversely affect our business or results of operations.

24. All our facilities are geographically located in the state of Gujarat. Any localized social unrest; natural disaster or breakdown of services and utilities in Gujarat may affect our business adversely.

Our Company and all our manufacturing and refining facilities are located in the state of Gujarat. As a result, if there is widespread social unrest, natural disaster or breakdown of services and utilities in the State of Gujarat it may affect our business adversely.

25. Our contingent liabilities could adversely affect our financial condition.

As on March 31, 2007, there were contingent liabilities as under:

		(Rs. in Lacs)
Sr. No.	Particulars	Amount
1	Outstanding litigation (disputed income tax liabilities)	0.51
2	Bank guarantees issued by banks on behalf of the Company	1,390.00
3	Corporate guarantees	3,000.00
4	Contracts remaining to be executed on capital account and not provided for	1,876.33
5	Letter of Credit	3237.73

26. Our agreements with various banks for term loans contain restrictive covenants.

In the agreements for short term and long term borrowings taken from certain banks and financial institutions, there are restrictive covenants which provide restrictions, namely change in capital structure, declaring dividends, further expansion of business, taking up new business activity or setting up/ investing in subsidiary except in the ordinary course of business and which require our Company to obtain prior approval of the lenders for any of the above activities. Our Company cannot assure the investors that our lenders will provide us with these approvals in the future. However, for the proposed Issue we have received approvals from all our lenders. For details of these restrictive covenants, please refer to the section titled, "Financial Indebtedness" beginning on page 190 of this Draft Red Herring Prospectus.

27. Our Company deals in hazardous chemicals and if we fail to comply with environmental laws and regulations, our operation will be affected.

Our Company uses certain chemicals for refining, which are subject to laws and regulations related to environmental, health laws and prevailing regulations in India and abroad. Under these laws and regulations, our Company is required to control its use of raw materials under specified standards and discharge of effluents, which are hazardous to environment and biological lives. If we fail to comply with these laws and operational regulations, then we may be imposed with penalties, fines or imprisonment. As a result of the same, operations of our Company can be suspended and our manufacturing licenses/ permissions can be withdrawn or terminated which may adversely affect our profitability. At present we have obtained the permission of the Gujarat Pollution Control Board for using hazardous chemicals. Further in case, any new regulation is imposed in this regard, we may have to incur additional expenditure or be required to acquire additional equipment with such specification as may be prescribed by the concerned authorities, in order to comply with such new law or regulation.

28. Our Company is exposed to liability, arising from the hazardous procedure involved in the processing and refining of edible oils.

The processing of oil, inside a boiler, involves dealing with high temperatures. This is an extremely hazardous process and can expose our Company to liabilities and claims, in case of occurrence of any accident. Further, our Company uses certain chemicals for refining, which may be hazardous to the environment and may lead to damage of assets, stock, premises and loss of human lives. Such incidences may lead to unforeseen costs and we may have to compensate for any losses or damages suffered by third parties as a result of such incidents.

29. Our Promoters will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

After completion of the Issue, our Promoters and Promoters group will collectively own 69.76% of the Equity Shares (on a fully diluted basis). As a result, our Promoters will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 1956 and our Articles of Association. See “Main Provisions of the Articles of Association” on page 288 of this Draft Red Herring Prospectus for further details. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

30. Certain risk factors as per the GITCO Appraisal Report

- (i) The business of edible oils is often driven by customers’ preferences where generally high quality products are sought. Change in the domestic and international market in terms of customers’ preferences may bring about a significant decline in the prices of our products, thereby affecting our sales and profitability.
- (ii) We face competition from both our direct competitors and bulk importers of edible oil in India. Our principal product namely, edible oil is produced by a large number of manufacturers, both in India and abroad, some of whom are significantly larger and have greater financial, distribution, and marketing resources than our Company. Moreover, we may lose market share and sales revenue to our competitors and could be adversely affected.
- (iii) If we fail to enter into firm sales contracts, any fall in the prices of refined oil may lead to financial losses for our Company.
- (iv) Any significant change in the government’s policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business

31. Certain risk factors as per the SBI Appraisal Report

Critical risk factors	Mitigation of risks:
With the influx of foreign players in the domestic oil industry, namely Wilmar, Cargill Asia Pacific, Felda of Malaysia, Gary Seaton of Singapore, the small Indian players will find it increasingly difficult to cope up with the competition.	The quadruple growth in turnover of the company in the last two years reflects well their marketing and managerial abilities. As such, the threat from the overseas players in the local markets is not so effective. Further, the company is exceedingly doing well when compared to the peers of the industry.
World oilseed supply during FY 2005-06 resulting in pressure on the edible	This risk is industry specific and all the players in the market can feel effects of the same. The fact that the Company has maintained

oil prices. The edible oil trade is speculative in nature.	its profitability fairly above that of its competitors reflects the company's risk-mitigating abilities.
The industry is over dependent on Government's concessions & subsidies for its survival & growth. Hence, any change in policy has significant impact on the industry. The units, largely dependent on imported raw material, are vulnerable to revision in duty by the government.	The domestic demand for edible oil has been increasing at around 5% per annum. The growth in domestic production has not, however, been able to keep pace therewith, resulting in a gap between demand and supply, which is being bridged by imports. In February 2005, the Ministry of Agriculture announced that over the next 2-3 years it would be looking at various measures to ease the restrictions on the import of oil seeds, since oil seeds imports had the potential to generate employment in the crushing and refining segment. As the Govt. of India policies will be affecting all the domestic players in edible oil market the market dynamics will not get affected.
Risk of RM price fluctuations. A very close tab on price movements and the changing global trends are essential.	Purchases are made at competitive rates and procured directly from first class internationally reputed sellers. International prices are based on the movement of prices of crude palm oil at the Commodities and Monetary Exchange of Malaysia for Indonesian / Malaysian palm products and Chicago Board of Trade (CBOT) for soya oil. Based on these prices, contracts are finalized and then LCs are established. Additionally, the company has also received RBI approval for hedging in the commodity market. In the advent of changes in its business model, the company proposes to leverage the strengths of its overseas subsidiary for sourcing the RM/export of the products in the overseas markets. The move is expected to derive considerable advantages to the company.

- 32. There are certain qualifications in the Auditors Report on Financial Statements**
The Auditors report on restated financial statements included in this Draft Red Herring Prospectus contains certain qualifications. For further details please refer the section titled "Financial Information" on page 156 of this Draft Red Herring Prospectus
- 33. We have availed certain credit facilities for working capital, which can be recalled by our lenders at any time.**
The State Bank of India, as lead bank of the SBI Consortium, has by its letter dated January 8, 2007, sanctioned a working capital loan. This facility can be recalled by the SBI Consortium at any given time. For further details, kindly refer the section titled "Financial Indebtedness" beginning on page 190 of this Draft Red Herring Prospectus.
- 34. Any inability to manage our growth could disrupt our business and reduce our profitability.**
We have experienced significant growth in our total restated income in recent years. We expect this growth to place significant demands on both our management and our resources. This will require us to evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges involved in recruiting, training and retaining sufficient skilled technical, sales and management personnel; adhering to our quality and process execution standards; maintaining high levels of customer satisfaction; and developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems. Any inability to manage growth may have an adverse effect on our business, results of operations and financial condition.
- 35. We may not have knowledge of certain inspection proceedings initiated at different locations concerning prevention of food adulteration.**

We may not be aware of certain inspection proceedings initiated against us under Prevention of Food Adulteration Act, 1954, at local levels due to the vast expanse of our business. We may not receive timely communication of the food sample inspections etc., collected by the food inspectors from the various storage and distribution centres like shops, depots and godowns of our company and our agents.

36. Changes in technology may render the current technologies obsolete or require us to make substantial capital investments.

The business of our Company is largely dependent on the technology adopted by us. The manufacturing process in the edible oils industry is prone to technological and process changes, which may render our current processes obsolete. In order to compete successfully with our competitors, our Company may be required to invest substantial sums to adopt newer technologies and processes, which may have an adverse impact on the business and profitability of our Company.

37. Exchange rate fluctuations may adversely affect our financial performance.

We are exposed to exchange rate risk. Many of our capital expenditures for machines are priced in foreign currencies, including the Euro and the United States Dollar. During financial year 2006-2007, approximately Rs. 210 Lacs of our capital expenditures, for proposed project in Gandhidham, or approximately 33%, excluding depreciation, of our total revenue expenditures, were denominated in foreign currencies. In the future we may incur additional foreign currency denominated capital expenditure due to our expansion plans and requirements for imported machinery. In addition, we receive payments in various currencies from our export customers. From time to time, we enter into foreign currency derivative transactions in respect of our international imports and exports.

Further, our wholly owned subsidiary Maurigo International Limited (MII), Mauritius and Maurigo Pte Limited (MPL), engages in commodity futures contracts, which constitutes a significant part of its revenue. Transactions for futures contract carry a high degree of risk and a relatively small market movement may have a proportionately larger impact on the funds that may have been deposited. It may result in total loss of initial margin funds and any additional funds deposited with the futures broker to maintain the company's position, which may have an adverse impact on the financial conditions of the company. Additionally, cash flows of MII and MPL, from financial instruments, in currencies other than the functional currency (United States Dollar), may also be affected by fluctuations in the prevailing exchange rates. For details of the financial condition of MII refer to the section titled "Financial Information of Group Companies" on page no 183 of this Draft Red Herring Prospectus.

38. Commodity price fluctuations may adversely affect our financial performance.

In our industry, the total processing cycle, starting from the purchase of raw materials to the sale of finished products, is about 90 –120 days. Although our Company does engage in commodity futures contracts from time to time to hedge a portion of our exposure to commodity price fluctuations.

39. Our exposure to interest rates may adversely affect our financial performance.

We borrow from time to time in Indian Rupees. Adverse movements in interest rates may adversely affect our results of operations and financial condition.

B) RISK FACTORS EXTERNAL TO THE COMPANY:

1. Our inability to respond to changing customer preferences and trends in the market for edible oils will significantly affect our Company.

Any change in the domestic and international market in terms of stiff competition and change in customers' preferences may bring about a significant decline in the prices of our products, thereby affecting our sales and profitability.

2. A significant change in the Government of India's economic liberalization and deregulation policies could disrupt our business and cause the price of our Equity Shares to decline.

Our assets and substantially most of our customers are located in India. The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian securities, including the Equity Shares. The present government, which was formed after the Indian parliamentary elections in April-May 2004, is headed by the Indian National Congress and is a coalition of several political parties. Any significant change in the government's policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance and the price of our Equity Shares.

3. The price of the Equity Shares may be volatile after this Issue, and therefore, resell of such shares at or above the Issue Price may or may not be done easily.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after this Issue may be subject to significant fluctuations in response to, among other factors, our results of operations and performance, subsequent corporate actions taken by us, performance of our competitors, adverse media reports and reviews, market conditions specific to the Indian edible oil industry, and the market perception about investments in the edible oil industry.

4. Change in tax laws in India.

Any changes in the tax laws in India, particularly central excise, sales tax or income tax might lead to an increase in the tax liability of our Company thereby having an adverse impact on the post tax profits of our Company.

5. Frequent changes in import duty.

Due to low productivity and seasonal nature of availability of raw materials, the supply of edible oils in India has not kept pace with the demand for it. This has led to the creation of a gap, which is being met through imports, whilst the increase in population is further widening this gap. Moreover, the government frequently changes the import duty on edible oil to help domestic farmers. This in turn leads to price fluctuations and uncertainty in the domestic market, which may have an adverse effect on the profitability of our Company.

6. A slowdown in economic growth in India could cause our business to suffer.

The Indian economy has grown at 7.5% and 9.0%, respectively, in fiscal 2005 and 2006. According to the Economic Survey of India for fiscal 2007, the advance estimate for growth of GDP in fiscal 2007 was 9.2%, up 0.2% points over the 9% growth recorded in fiscal 2006. Any slowdown in the Indian economy and the consequent impact on disposable income could adversely affect our income, which could adversely affect our results of operations.

7. Any downgrading of India's debt rating by an international rating agency could negatively impact our business.

Any downward revisions to India's credit ratings for domestic and international debt by international credit rating agencies may adversely impact domestic interest rates and other commercial terms on which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditure and the trading price of our shares.

8. Stringent environmental laws and regulations.

Our Company requires certain statutory and regulatory permits and approvals for existing businesses under various environmental laws. Moreover, unknown environmental problems or conditions may be discovered. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future.

9. Terrorist attacks or war or conflicts involving India or other countries could adversely affect consumer and business sentiment and the financial markets and adversely affect our business.

Terrorist attacks and other acts of violence or war may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability.

Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighboring countries. Armed conflicts could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a high degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable and we therefore may not be able to foresee events that could have an adverse effect on our business.

10. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the results of our operations.

NOTES TO RISK FACTORS

PUBLIC ISSUE OF 77,00,000 EQUITY SHARES OF RS. 10 EACH OF GOKUL REFOILS AND SOLVENT LIMITED ("GOKUL" OR "OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE [INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE] AGGREGATING TO RS. [●] LACS (THE "ISSUE"). THE ISSUE COMPRISES A RESERVATION OF UPTO 75,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION") AND A NET ISSUE TO THE PUBIC OF 76,25,000* EQUITY SHARES (THE "NET ISSUE TO THE PUBLIC"). THE NET ISSUE TO THE PUBLIC WILL CONSTITUTE 28.91% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE ISSUE WILL CONSTITUTE 29.19% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

- The average cost of acquisition of Equity Shares by the Promoters

Name of the Promoter	Average Cost of Acquisition per share (Rs.)
Mr. Balvantsinh Rajput	6.63
Mr. Kanubhai Thakkar	6.63
Mrs. Bhikiben Rajput	6.50
Mrs. Manjulaben Thakkar	6.67

- The Net worth of our Company as on 31 March 2007 is Rs.12383.99 Lacs and for the four months ended July 31,2007 14,072.39 Lacs as per Indian GAAP and the Book Value per share is Rs.67.26 as on 31 March 2007 and is Rs.76.43 for the four months ended July 31, 2007.
- Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the Bombay Stock Exchange Limited, the Designated Stock Exchange. Please refer to the paragraph on “Basis of Allotment” on page 279 of this DRHP.
- Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 79 of this Draft Red Herring Prospectus before making an investment in this issue.
- Investors are free to contact the BRLMs or the Compliance Officer of our Company for any clarifications or information relating to the Issue.
- Trading in Equity Shares of our Company for all the Investors shall be in dematerialized form only.
- The Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (including 5% thereof to be allocated to Mutual Funds). Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to the Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
- For Related Party Transactions refer to the chapter titled ‘Related Party Transactions’ on page 152 of this Draft Red Herring Prospectus.
- Please refer the chapter titled ‘Financial Information’ on page 190 of this DRHP for details of Loans and Advances and Financial Indebtedness.
- The BRLMs and our Company shall make all information available to the public and investor at large and no selective or additional information would be available for a section of the investor in any manner whatsoever including at road shows, presentation, in research or sales report etc.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY AND BUSINESS OF OUR COMPANY

This is only a summary and does not contain all information that you should consider before investing in Equity Shares of this company. You should read the entire Draft Red Herring Prospectus, including the information on “Risk Factors” and financial statements and related notes on page 12 and page 156, respectively of this DRHP before deciding to invest in Equity Shares.

INDUSTRY OVERVIEW

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 and imports.

OUR BUSINESS

Our Company was incorporated on December 29, 1992 as Gokul Refoils and Solvent Private Limited vide Registration No. 04-18745 under the Companies Act, 1956. Subsequently it was converted into a public limited Company vide special resolution passed at the Extra Ordinary General Meeting of the Company held on May 2, 1994, pursuant to which, we received a fresh certificate of incorporation dated July 1, 1994 by the Registrar of Companies, Gujarat.

In the year 1982, our Promoters made a modest start by setting up a small seed processing unit and trading in Edible oils. In line with our long term vision our Promoters incorporated our Company in 1992 and setup a Solvent Extraction plant and an oil refinery at Sidhpur, Gujarat. In 2003 our Company setup the Gandhidham unit with a refinery of 800 TPD and Vanaspati plant of 100 TPD. In 2006 we setup four environment friendly wind mills of 1.25 MW each, in Kutch. In 2007 we purchased a 100 TPD operational refinery in Surat and increased the Vanaspati capacity from 100 TPD to 200 TPD. We also have a co-generation power plant of 500 KWH at our Gandhidham unit. Towards expanding the scale of operations and having global presence we setup two wholly owned subsidiaries in Mauritius and Singapore. Today the group’s interest includes Solvent Extraction and refining of Edible oil, castor oil and its derivatives, Vanaspati, , power generation, commodity trading in the domestic and international markets.

Our Company is primarily engaged in the business of Solvent Extraction, refining of Edible oils and Vanaspati manufacturing. At present our Company has 680 TPD of seed processing, 600 TPD of Solvent Extraction, 1200 TPD of refining and 200 TPD of Vanaspati manufacturing.

The units are situated at:

- Sidhpur (Sidhpur unit, North Gujarat)
- Anjar (Gandhidham unit, Kutch)

- Navi Pardi (Surat unit, South Gujarat)
- Kutch (Wind mills)

The Company is in the following lines of business:

- Seed processing and Solvent Extraction
 - o Oil cake
 - o Solvent extracted oil
 - o De-oiled cake
- Refining of crude Edible oil to produce refined
 - o Mustard oil
 - o Soyabean oil
 - o Sunflower oil
 - o Groundnut oil
 - o Cottonseed oil
 - o Palm oil
- Hydrogenation of oil to produce
 - o Vanaspati ghee
- Captive power generation plant

Our consolidated total income for the financial years / period ended July 31, 2007, March 31, 2007, 2006 and 2005 was Rs. 657.91 Crores, Rs. 1566.90 Crores, Rs. 1255.76 Crores and Rs. 907.15 Crores, respectively, and our profit after tax for the said years was Rs. 20.70 Crores, Rs. 25.42 Crores, Rs. 12.34 Crores and Rs. 20.05 Crores respectively. Our sales have grown at a CAGR of 39.22% over the last 5 financial years and our PAT has increased at a CAGR of 39.15% over the last 5 financial years.

SUMMARY OF THE FINANCIAL INFORMATION

SUMMARY OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED: (Rs. In Lakhs)					
Particulars		As at	As at	As at	As at
		31-Jul-07	31-Mar-07	31-Mar-06	31-Mar-05
A FIXED ASSETS					
Gross Fixed Assets		13,326.14	12,693.03	7,361.92	6,371.36
Less : Accumulated Depreciation		2,677.86	2,339.00	1,528.28	920.00
Net Fixed Assets		10,648.28	10,354.03	5,833.64	5,451.35
Capital Work In Progress		1,624.60	1,193.91	1,102.83	62.41
Total		12,272.88	11,547.94	6,936.47	5,513.76
B INVESTMENTS		2,502.81	1,290.60	3.01	-
C CURRENT ASSETS, LOANS & ADVANCES					
Inventories		26,096.06	16,366.80	9,920.03	8,293.96
Sundry Debtors		7,458.24	9,863.93	4,866.43	4,129.37
Cash & Bank Balances		7,225.72	5,080.02	5,791.83	9,752.91
Loans & Advances		3,611.84	1,857.41	1,638.16	1,567.09
Total		44,391.87	33,168.16	22,216.45	23,743.33
D LIABILITIES AND PROVISIONS					
Secured Loans		10,692.65	7,012.63	1,702.50	1,842.51
Unsecured Loans		133.14	1,945.68	1,250.09	1,354.26
Deferred Tax Liability		1,110.56	1,025.67	633.17	638.52
Current Liabilities		30,976.95	23,026.00	15,366.06	16,083.97
Provisions		1,573.14	362.35	143.38	549.75
Total		44,486.44	33,372.33	19,095.20	20,469.01
E NET ASSETS (C - D)		(94.57)	(204.17)	3,121.25	3,274.32
F NET WORTH (A + B + E)		14,681.12	12,634.37	10,060.73	8,788.08
Represented by					
Share Capital		1,841.25	1,841.25	1,227.50	1,227.50
Reserve & Surplus		12,839.87	10,793.12	8,833.23	7,563.52
Total		14,681.12	12,634.37	10,060.73	8,791.02
Less : Miscellaneous Expenses Not W/off		-	-	-	-
G NET WORTH		14,681.12	12,634.37	10,060.73	8,791.02

SUMMARY CONSOLIDATED PROFIT & LOSSES FOR PERIOD/YEAR AS RESTATED: (Rs. In Lakhs)					
Particulars		01.04.2007	01.04.2006	01.04.2005	01.04.2004
		To	To	To	To
		31.07.2007	31.03.2007	31.03.2006	31.03.2005
Income					
Sales & Operating Incomes		55,291.44	126,528.71	105,431.86	91,570.96
Of products manufactured by					
The Company					
Of products traded by		9,992.57	29,816.90	19,572.39	16,766.37
The Company					
Other Income		506.95	344.15	571.56	734.21
Increase / (Decrease) in Stock		410.93	3,296.85	396.80	3,268.14
Total Income		66,201.88	159,986.61	125,972.61	112,339.68
Expenditure					
Raw Material Consumed / Cost of Traded Goods		56,789.55	141,309.45	114,680.16	102,603.77
Manufacturing Expenses		714.47	2,341.72	1,466.22	1,353.89
Payment & Provision for Employess		161.06	379.40	309.14	230.19
Administrative & Other Expenses		408.14	751.53	1,249.92	459.30
Selling & Distribution Expenses		3,771.18	8,842.82	5,088.64	3,656.39
Financial Charges		994.07	1,948.87	839.25	449.88
Depreciation & Amortization		338.86	830.14	611.81	495.21
Total Expenditure		63,177.33	156,403.94	124,245.14	109,248.63
Profit for the Period		3,024.55	3,582.67	1,727.47	3,091.05
Add / (Less) : Prior Period Items		-	-	-	-
Profit Before Tax		3,024.55	3,582.67	1,727.47	3,091.05
Add / (Less) : Provision for Tax					
Current Tax		869.17	630.57	489.14	615.00
Earlier Years		-	9.04	7.50	23.27
Deferred Tax Liability / (Assets)		84.89	392.50	(5.35)	429.10
Profit After Taxation as per Audited Accounts (A)		2,070.49	2,550.56	1,236.18	2,023.67
Impact of Change in Accounting Policies and Estimates					
Short Provision for Taxation		-	(9.04)	(2.66)	(18.36)
Prior Period Adjustments		-	-	-	-
Foreign Currency Transactions		-	-	-	-
Total Impact of Adjustment		-	(9.04)	(2.66)	(18.36)
Net Profit as Restated		2,070.49	2,541.52	1,233.52	2,005.31
Profit & Loss a/c. at the beginning of the year		8,582.37	6,040.85	4,807.33	2,802.02
Earlier Year Deffered Tax		-	-	-	-
Balance available for appropriations, as restated		10,652.86	8,582.37	6,040.85	4,807.33
Appropriation					
Proposed Dividend on Equity shares		-	-	-	-
Tax on Dividend		-	-	-	-
Transfer to General Reserve		-	-	-	-
Balance Carried forward as restated		10,652.86	8,582.37	6,040.85	4,807.33
Notes: The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure-XIX to the Report .					

THE ISSUE

Equity Shares Offered:	
Issue by our Company	77,00,000 Equity Shares of face value of Rs. 10 each
Of which	
Reserved for Eligible Employees ⁽¹⁾	75,000 Equity Shares of face value of Rs. 10 each constituting 0.97% of this Issue allocated on a proportionate basis
And	
Net Issue to the Public	76,25,000 Equity Shares of face value of Rs. 10 each
Comprising	
A) Qualified Institutional Buyers Portion	Not more than 38,12,500 Equity Shares of face value of Rs. 10 each, constituting not more than 50% of the Net Issue to the public (allocation on a proportionate basis) of which, 1,90,625 Equity Shares of face value of Rs. 10 each will be available for allocation to Mutual Funds and balance for all QIBs including Mutual Funds.
B) Non-Institutional Portion ⁽²⁾	Not less than 11,43,750 Equity Shares of face value of Rs. 10 each, constituting not less than 15% of the Net Issue to the Public that will be available for allocation to Non-Institutional Bidders on a proportionate basis.
C) Retail Portion ⁽²⁾	Up to 26,68,750 Equity Shares of face value of Rs. 10 each constituting not less than 35% of the Net Issue to the Public that will be available for allocation to Retail Individual Bidders on a proportionate basis.
Equity Shares outstanding prior to this Issue	1,86,79,000 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after this Issue	2,63,79,000 Equity Shares of face value of Rs. 10 each
Use of Proceeds	Please refer to chapter titled “Objects of the Issue” beginning on Page 63 of this Draft Red Herring Prospectus for additional information.

Notes:

- Any under subscription in the Equity Shares under the Employee Reservation Portion would be treated as part of the Net Issue to the Public.
- In the case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion would be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLMs. In case of under subscription in the Net Issue to the Public, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to any other category or combination of categories at the discretion of our Company in consultation with the BRLMs subject to applicable provisions of SEBI Guidelines and the Designated Stock Exchange. Our Company is considering a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of the Pre-IPO Placement.

Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC.

GENERAL INFORMATION

Our Company was incorporated on December 29, 1992 as Gokul Refoils and Solvent Private Limited vide Registration No. 04-18745 under the Companies Act, 1956. Subsequently it was converted into a public limited company vide special resolution passed at the Extra Ordinary General Meeting of the Company held on May 2, 1994, pursuant to which, we received a fresh certificate of incorporation dated July 1, 1994 by the Registrar of Companies, Ahmedabad, Gujarat. For details of the change in our name and registered office, please refer to the chapter titled “History and Corporate Structure” beginning on page 130 of this Draft Red Herring Prospectus

Registered Office

Gokul Refoils and Solvent Limited

State Highway No. 41,
Near Sujanpur Patia,
Sidhpur,
Gujarat- 384151
Tel: +91-2767-222075, 220 975;
Fax: +91-2767 - 223475;
Email: gokulipo@gokuloil.com
Website: www.gokuloil.com

Corporate Office

Gokul Refoils and Solvent Limited

“GOKUL HOUSE”,
43 – Shreemali Co-op. Housing Society Limited,
Opp. Shikhar Building,
Navrangpura,
Ahmedabad 380 009
Tel: +91-79-6630 4555, 66615253/54/55
Fax: +91-79-6630 4543;
Email: gokulipo@gokuloil.com
Website: www.gokuloil.com
Contact person: Mr. Manish Kella

The Company is registered with

Registrar of Companies, Gujarat, Ahmedabad
RoC Bhavan,
Opp. Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura,
Ahmedabad – 380013

Company Registration Number: 04 - 18745

CIN: U15142GJ1992PLC018745

Board of Directors

Our current Board of Directors consists of the following:

Name, Designation and Occupation	Age (years)	Address
Mr. Balvantsinh Rajput Chairman & Managing Director <i>Business</i>	45	12, Ambika Nagar Society, Opp. GEB, Sidhpur, Gujarat – 384 151.
Mr. Kanubhai Thakkar Managing Director	45	29, Ambika Nagar Society, Opp. GEB, Sidhpur, Gujarat – 384 151.

<i>Business</i>		
Mr. Dinesh Sharma Whole-time Director	42	2, Ambika Nagar Society, Opp. GEB, Sidhpur, Gujarat – 384 151.
<i>Service</i>		
Dr. Dipuba Devda Independent Director	47	35/3, Adyavak Nivas, Gujarat Vidyapith, Ashram Road, Ahmedabad – 380 014
<i>Service</i>		
Mr. Piyushchandra Vyas Independent Director	65	‘HARI OM’, 29/B Vasuki Society, Vasna, Ahmedabad – 380 007
<i>Ex – Secretary Gujarat Region, Indo American Chamber of Commerce</i>		
Dr. Rashid Ali Khan Independent Director	62	B-20, C.E.L. Apartment, Vashundhara Enclave, New Delhi – 110 096.
<i>Ex – Chief Director-cum-Edible Oils Commissioner, Ministry of Consumer Affairs, Food and Public Distribution,</i>		

For further details of our Directors please refer the chapter titled “Our Management” beginning on page 134 of this Draft Red Herring Prospectus.

Mr. Manish Kella
Company Secretary and Compliance Officer
 “GOKUL HOUSE”,
 43 – Shreemali Co-op. Housing Society Limited,
 Opp. Shikhar Building,
 Navrangpura,
 Ahmedabad 380 009
 Tel: +91-79-6630 4555, 66615253/54/55
 Fax: +91-79-6630 4543;
 Email: gokulipo@gokuloil.com
 Website: www.gokuloil.com

Note: Investors can contact the Compliance officer in case of any Pre-Issue or Post Issue related problems such as non-receipt of letters of allotment / Credit of allotment of shares in the respective beneficiary account, refund orders etc.

Bankers to the Company

State Bank of India Vatva Industrial Branch, Opp. Choksi Tube, GIDC, Phase – I, Vatva, Ahmedabad – 382 445 Tel No: +91-79- 2583 377, 2583 1603 Fax No.: +91-79- 2583 3998 E-mail: vinay.phanse@sbi.co.in Contact Person: Mr. Vinay Phanse	Punjab National Bank International Banking Branch Ashram Road, Ahmedabad Tel No: +91 79 2754 0755 Fax No.: +91 79 2750 004 E-mail: bo4042@pnb.co.in Contact Person: Mr. Acharya
Development Credit Bank Limited Corporate and Business Banking Group	Central Bank of India Corporate Finance Branch,

8 th Floor, Pariseema Annexe, Opp. IFC Bhavan, C. G. Road, Ahmedabad – 380 006 Tel No: +91 79 6630 6961 Fax No.: +91 79 2640 2606 E-mail: Contact Person: Mr. Divyesh Vora	Central Bank Building, Lal Darwaja, Ahmedabad – 380 001 Tel No: +91 79 2550 3586 Fax No.: +91 79 2550 4411 E-mail: agmahme0546@centralbank.co.in Contact Person: Mr. Babu Ganesh
Bank of Maharashtra Mavlankar Haveli, Vasant Chowk, Bhadra, Ahmedabad – 380 001 Tel No: +91 79 2550 7901 Fax No.: +91 79 2550 0818 E-mail: bom213@mahabank.co.in Contact Person: Mr. Mahendra Roy	State Bank of Indore Jaldarshan Co-op Housing Society, Opp. Gujarat Chamber of Commerce, Natraj Cinema, Ashram Road, Ahmedabad – 380 009 Tel No: +91 79 2657 4864 Fax No.: +91 79 26574834 Contact Person: Mr. Puruswani
State Bank of Travancore P.B. No. 11, Ground Floor, “Kaivanna”, Ambavadi, Ellisbridge P.O. Ahmedabad – 380 006 Tel No: +91 79 2656 9983 Fax No.: +91 79 2656 9972 E-mail: ahmedabad@sbt.co.in Contact Person: Mr. S. N. Agrawal	Union Bank of India Industrial Finance Branch, C.U. Shah Chambers, Ashram Road, Ahmedabad – 380014 Tel No: +91 79 2754 1984 Fax No.: +91 79 2754 0524 E-mail: lodha@unionbankofindia.com Contact Person: Mr. Lodha
Dena Bank Dena Laxmi Bldg, Ground Floor, Near City Gold Multiplex, Navrangpura, Ahmedabad- 390009 Tel No: +91 79 2658 5315 Fax No: +91 79 26580624 E-mail: rcdahiya@denabank.co.in Contact Person: Mr. R. C. Dahiya	HDFC Bank HDFC Bank House, 1 st Floor, Opp. Jain Derasar, Navrangpura, Ahmedabad – 380 009 Tel No: +91 79 6600 1091 Fax No.: +91 79 6631 7777 E-mail: sujit.mohanty@hdfcbank.com Contact Person: Mr. Sujit Mohanty
Bank of India Corporate Banking Branch 2 nd Floor, Bank of India Building Bhadra, Ahmedabad – 380 001 Tel No: +91 79 2538 3654 Fax No.: +91 79 2539 6193 E-mail: ahmedabadcbb@bankofindia.co.in Contact Person: Mr. Iyer	Industrial Development Bank of India Limited IDBI Complex, Lal Bunglow, Off C. G. Road, Ahmedabad – 380 006. Tel No: +91 79 2643 1902 Fax No.: +91 79 2656 5105 E-mail: Contact Person: Mr. R. K. Sinha

ISSUE MANAGEMENT TEAM**BOOK RUNNING LEAD MANAGERS****Anand Rathi Securities Limited**

SEBI Registration No.: INM 000010478

11th Floor, Times Tower,

Senapati Bapat Marg,

Lower Parel,

Mumbai – 400 020

Tel: +91-22-40477000

Fax: +91-22-40477070

Website: www.rathi.com

Email: gokulipo@rathi.com

Contact Person: Mr. Akshay Bhandari / Manu Sharma

Intensive Fiscal Services Private Limited

SEBI Registration No : INM000011112
131, Mittal Tower, 13th Floor,
'C' Wing, Nariman Point,
Mumbai- 400021.
Tel :+91-22-2287 0443 -45
Fax :+91-22-2287 0446
Website : www.intensivefiscal.com
Email : gokulipo@intensivefiscal.com
Contact Person : Mr. Brijesh Parekh

REGISTRAR TO THE ISSUE

Intime Spectrum Registry Limited

SEBI Regn No. INR 000003761
UIN No. 1000002071
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (west), Mumbai- 400078
Tel: +91-22-2596 0320
Fax: +91-22-2596 0329
Email: gokulipo@intimespectrum.com
Website: www.intimespectrum.com
Contact person: Sachin Achar

LEGAL ADVISOR TO THE ISSUE

Majmudar & Co.

International Lawyers
96, Free Press House, 9th floor
Free Press Journal Marg,
Nariman Point.
Mumbai - 400 021, India
Tel: +91 22 6630 7272
Fax: +91 22 6630 7252
Email: mailbox@majmudarindia.com
Website: www.majmudarindia.com
Contact person: Mr. Akil Hirani

BANKER(S) TO THE ISSUE AND ESCROW COLLECTION BANK(s)

[•]

REFUND BANKER(S)

[•]

SYNDICATE MEMBERS

Anand Rathi Securities Limited

SEBI Registration No.: INM 000010478
11th Floor, Times Tower,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 020
Tel: +91-22-40477000
Fax: +91-22-40477070
Website: www.rathi.com
Email: gokulipo@rathi.com
Contact Person: Ms. Meghna Parekh

Intensive Fiscal Services Private Limited

SEBI Registration No : INM000011112
131, Mittal Tower,
13th Floor, 'C' Wing,

Nariman Point,
Mumbai- 400021.
Tel :+91-22-2287 0443 - 45
Fax :+91-22-2287 0446
Website : www.intensivefiscal.com
Email : gokulipo@intensivefiscal.com
Contact Person : Mr. Brijesh Parekh

BROKERS TO THE ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

AUDITORS TO THE COMPANY

M/s. M. R. Pandhi & Associates

Chartered Accountants

101, Panchdeep Complex,

Mayur Colony,

Nr. Mithakhali Six Roads,

Ahmedabad- 380 009

Tel.: +91 79 2656 5949

Telefax: +91 79 2642 0994

E-mail: mrpandhi@gmail.com

Contact Person: Mr. M. R. Pandhi

CREDIT RATING

As the Issue is of Equity shares, credit rating is not required.

IPO GRADING AGENCY

This Issue has been graded by [•] as [•] (pronounced [•]), indicating [•]. The rationale furnished by the credit rating agency for its grading will be updated at the time of filing the Red Herring Prospectus with the RoC.

TRUSTEES

As the Issue is of Equity Shares, the appointment of trustees is not required.

MONITORING AGENCY

As the net proceeds of the issue will be less than Rs.500/- Crores, there is no requirement for a monitoring agency in terms of clause 8.17 of the SEBI Guidelines.

APPRAISAL OF THE PROJECT

Gujarat Industrial and Technical Consultancy Organisation Limited (GITCO)

A Joint Venture of ICICI, IDBI, IFCI, State Corporations and Banks

“GITCO HOUSE”, Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad – 380 009

Tel.: +91 79 2656 9617

Fax: +91 79 2656 5279

Email: gitcoltd@eth.net

We have appointed GITCO. They have appraised two projects of the Objects of the Issue namely,

1. Setting up a new 1500 TPD Soyabean processing plant near Gandhidham, Gujarat; and
2. Expansion of our existing edible oil refinery at Surat, Gujarat;

The other Objects of the Issue have not been appraised by any agency/independent financial institution and the cost and means of finance are based on the estimates by our Company.

INTER SE ALLOCATION OF RESPONSIBILITIES

The responsibilities and co-ordination for various activities in this Offering have been distributed among the BRLMs as under:

No	Activities	Responsibility	Co-ordinator
1	Capital structuring with relative components and formalities.	ARSL / INTENSIVE	INTENSIVE
2	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Offer Document and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with the guidelines for Disclosure and Investor Protection and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges, Registrar of Companies and SEBI including finalization of Offer Document and RoC filing.	ARSL / INTENSIVE	ARSL
3	Drafting, approval and liasioning with Advertising agency for of all advertisements / statutory advertisements / publicity material including: - Preparation and finalization of the road-show presentation - Approval of all non-statutory advertisement including corporate advertisements.	ARSL / INTENSIVE	INTENSIVE
4	Appointment of the Escrow Collection Banks for the Issue	ARSL / INTENSIVE	ARSL
5	Marketing of the issue, which will cover, inter alia, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres of holding conferences of brokers, investors etc. (iii) bankers to issue, and (iv) collection centres; distribution of publicity and issue material including application form, offer document and brochure, and deciding on the quantum of issue material.	ARSL / INTENSIVE	ARSL
6	Domestic Institutional marketing of the Issue, which will cover, among other things, - Finalizing the list and division of investors for one to one meetings; and - Finalizing road show schedule and investor meeting schedules.	ARSL / INTENSIVE	ARSL
7	Retail marketing strategy which will cover, among other things - Finalizing centers for holding conferences for brokers, etc - Formulating media, marketing and, Public Relations strategy;	ARSL / INTENSIVE	ARSL
8	Non Institutional (ex-Retail) marketing strategy which will cover, among other things, - Finalizing centers for holding conferences for brokers, etc - Formulating media, marketing and, Public Relations strategy;	ARSL / INTENSIVE	ARSL
9	Arrangements for selection of underwriters and the underwriting arrangement	ARSL / INTENSIVE	INTENSIVE
10	Appointment of Printers, Registrar for the Issue and advertising agency	ARSL / INTENSIVE	INTENSIVE
11	Managing the book and advising about closure of the issue.	ARSL / INTENSIVE	ARSL

No	Activities	Responsibility	Co-ordinator
12	Finalization of Pricing in consultation with the Company	ARSL / INTENSIVE	ARSL
13	Co-ordination with stock exchanges for book building software, bidding terminals and mock trading	ARSL / INTENSIVE	ARSL
14	Post bidding activities including management of Escrow Accounts, co-ordination of allocation and intimation of allocation with Registrar and Banks, Refund to Bidders, etc. The post Issue activities of the Issue will involve essential follow up steps, which must include finalisation of listing and trading of instruments, assisting in finalization of basis of allotment, demat and delivery of shares and refunds, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the bank handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	ARSL / INTENSIVE	INTENSIVE

BOOK BUILDING PROCESS

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue to Public shall be available for Allocation to QIBs on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 35% of the Net Issue to Public shall be available for Allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Net Issue to Public shall be available for Allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

The principal parties involved in the Book Building Process are:

- Our Company;
- Book Running Lead Managers;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. The BRLMs appoint the Syndicate Members;
- Registrars to the Issue; and
- Escrow Collection Bank(s).

In accordance with the SEBI guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid / Issue Closing Date. In addition, QIBs are required to pay atleast 10 % of the Bid Amount upon submission of the Bid-cum-Application Form during the Bid/ Issue period and allocation to QIBs will be on a proportionate basis. For further details, please refer the chapter titled “Terms of the Issue” beginning on page 248 of this Draft Red Herring Prospectus.

Our Company will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed Anand Rathi Securities Limited and Intensive Fiscal Services Private Limited as the BRLMs to manage the issue and to procure subscriptions to the Issue.

The process of Book Building, under the SEBI Guidelines, is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)*

Bidders can Bid at any price within the price band. For instance, assuming a price band of Rs. 20/- to Rs. 24/- per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the issuer Company at various prices and is collated from bids received from various investors.

Number of equity shares Bid for	Bid Price (Rs.)	Cumulative equity shares bid for	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e., Rs. 22/- in the above example. The issuer, in consultation with the BRLMs will finalise the issue price at or below such cut-off price i.e. at or below Rs. 22/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

Steps to be taken by the Bidder for Bidding:

- Check eligibility for making a Bid (for further details, please refer to the paragraph titled “Issue Procedure-Who can Bid” beginning on page 255 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
- Ensure that the Bid-cum-Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid-cum-Application Form;
- A copy of the PAN card or PAN allotment letter is required to be submitted with the Bid cum Applications Form without this information the documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;**
- Bids by QIBs will have to be submitted only to the BRLMs.

Withdrawal of the issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with the issue at anytime after the Bid/Issue Closing Date but before the Allotment of Equity Shares, without assigning any reason thereof.

Bid/Issue Programme

Bidding Period/ Issue Period:

BID/ISSUE OPENS ON	 ●
BID/ISSUE CLOSES ON	 ●

Bids and any revision in Bids shall be accepted **only between 10 a.m and 3 p.m** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m and 1 p.m** (Indian Standard Time) and uploaded until (i) 5 p.m in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees Bidding under the Employees Reservation Portion where the

Bid Amount is in excess of Rs.100,000/- and (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees Bidding under the Employees Reservation Portion where the Bid Amount is up to Rs.100,000/- . Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in the public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised atleast one day before the Bid/Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for such number of days after the revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

UNDERWRITING AGREEMENT

After the determination of this Issue Price and allocation of our Equity Shares, but prior to the filing of the Prospectus with the RoC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. The Underwriting Agreement is dated [•].

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
Anand Rathi Securities Limited 11 th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel. No: +91 22 4047 7000 Fax No: +91 22 4047 7070 E-mail: gokulipo@rathi.com Website: www.rathi.com Contact Person: Mr. Akshay Bhandari / Manu Sharma	[•]	[•]
Intensive Fiscal Services Private Limited 131, Mittal Tower, 13 th Floor, 'C' Wing, Nariman Point, Mumbai- 400021. Tel :+91-22-2287 0443 - 45 Fax :+91-22-2287 0446 Website : www.intensivefiscal.com Email : gokulipo@intensivefiscal.com Contact Person : Mr. Brijesh Parekh	[•]	[•]

The above mentioned amount is an indicative of underwriting and would be finalized after pricing and actual allocation of equity shares.

In the opinion of our Board of Directors (based on a certificate dated [●] given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors/ Committee of Directors at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/ subscribe to Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital as on date of this Draft Red Herring Prospectus is as follows:

(Rs. in Lacs)

Sr. No.	Particulars	Aggregate Value at Nominal Price	Aggregate Value at Issue Price
A.	Authorized Capital		
	3,50,00,000 Equity Shares of Rs. 10/- each.	3,500.00	
B.	Issued, Subscribed and Paid-Up Capital before this Issue		
	1,86,79,000 Equity Shares of Rs. 10/- each fully paid up	1,867.90	
C.	Present Issue to the public in terms of this Draft Red Herring Prospectus		
	77,00,000 Equity Shares of Rs. 10/- each fully paid up	770.00	[●]
	Out of which:		
	Reservation for Employees		
	75,000 Equity Shares are reserved for Eligible Employees	7.50	[●]
	Net Issue to the Public		
	76,25,000 Equity Shares of Rs 10/- each at a price of Rs [●]/- per share of which:	762.50	[●]
	QIB portion of not more than 38,12,500 Equity Shares	381.25	[●]
	Reservation for Mutual Funds of 1,90,625 Equity Shares out of the QIB portion	19.06	[●]
	Non Institutional portion of not less than 11,43,750 Equity Shares	114.38	[●]
	Retail portion of not less than 26,68,750 Equity Shares	266.88	[●]
D.	Issued, Subscribed and Paid-Up Capital after this Issue		
	2,63,79,000 Equity Shares of 10 each fully paid up	2,637.90	[●]
E.	Securities Premium Account		
	Before this Issue	2,547.63	
	After this Issue	[●]	

Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC.

NOTES TO CAPITAL STRUCTURE**3. Details of Increase in Authorized Capital**

The details of increase in authorized share capital of our Company are as follows:

Sr. No.	Particulars of increase	Date of Meeting	AGM / EGM
1	At the time of incorporation Rs. 15 Lacs	--	On Incorporation
2	From Rs. 15 Lacs to Rs. 20 Lacs	November 8, 1993	EGM
3	From Rs. 20 Lacs to Rs. 65 Lacs	January 16, 1995	EGM
4	From Rs. 65 Lacs to Rs. 300 Lacs	November 10, 1997	EGM
5	From Rs. 300 Lacs to Rs. 500 Lacs	February 5, 1999	EGM
6	From Rs. 500 Lacs to Rs. 1000 Lacs	July 8, 2000	EGM
7	From Rs. 1000 Lacs to Rs. 1200 Lacs	September 30, 2002	AGM
8	From Rs. 1200 Lacs to Rs. 1500 Lacs	July 15, 2003	AGM
9	From Rs. 1500 Lacs to Rs. 2000 Lacs	March 17, 2007	EGM
10	From Rs. 2000 Lacs to Rs. 3500 Lacs	September 6, 2007	EGM

4. Share Capital History of our Company

The existing equity share capital of our Company has been subscribed and allotted as under:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Total Paid up Capital (Rs.)	Cumulative Paid up Capital	Cumulative Share Premium a/c	Reasons for Allotment
December 29, 1992	60	10	10	Cash	600	600	Nil	Allotment to subscribers to the Memorandum
March 22, 1994	169,940	10	10	Cash	1,699,400	1,700,000	Nil	Further issue of capital to Promoters, Promoter Group and others
March 11, 1995	387,500	10	10	Cash	3,875,000	5,575,000	Nil	Further issue of capital to Promoters, Promoter Group and others
March 28, 1995	65,000	10	10	Cash	650,000	6,225,000	Nil	Further issue of capital to Promoters and Promoter Group
March 9, 1998	1,620,000	10	10	Cash	16,200,000	22,425,000	Nil	Further issue of capital to Promoters and Promoter Group
March 6, 1999	1,700,000	10	10	Cash	17,000,000	39,425,000	Nil	Further issue of capital to Promoters and Promoter Group
March 31, 2000	1,057,500	10	10	Cash	10,575,000	50,000,000	Nil	Further issue of capital to Promoters and Promoter Group
July 20, 2000	3,000,000	10	10	Cash	30,000,000	80,000,000	Nil	Further issue of capital to Promoters and Promoter Group
December 30, 2000	2,000,000	10	10	Cash	20,000,000	100,000,000	Nil	Further issue of capital to Promoters and Promoter Group

October 21, 2002	1,225,000	10	110	Cash	12,250,000	112,250,000	122,500,000	Further issue of capital to Promoter Group
October 10, 2003	1,050,000	10	150	Cash	10,500,000	122,750,000	269,500,000	Further issue of capital to Promoter Group
March 28, 2007	6,137,500	10	Bonus	Bonus @	61,375,000	184,125,000	208,125,000	Bonus in the ratio of 1 share for every 2 held
November 1, 2007	266,500	10	185	Cash	2,665,000	186,790,000	254,762,500	Further issue of capital to Foreign Investor - Granite Hill Capital Ventures LLC, USA

@ Our Company issued bonus shares to its members in the ratio of one equity share for every two equity shares held by the members and such new shares are fully paid up and rank *pari passu* with the existing equity shares. A total of 61,37,500 Equity Shares were issued. This bonus issue was authorized through a special resolution of the Shareholders passed on March 17, 2007 and allotted on March 28, 2007 by capitalizing the share premium reserve. Total nominal value of equity shares at present is Rs. 1867.90 Lacs , consisting of 1,86,79,000 Equity Share of Rs 10/- each fully paid up.

5. Details of Allotment / acquisition of Equity Shares by our Promoters and Lock-in details

Our Company has four promoters namely, Mr. Balvantsinh Rajput, Mr. Kanubhai Thakkar, Mrs. Bhikiben Rajput, Mrs. Manjulaben Thakkar. Details of Equity Shares held by them and locked-in pursuant to the issue are as follows:

a. Mr. Balvantsinh Rajput

Sr. No.	Date of allotment / Transfer and made fully paid up	Nature of Payment/ Consideration	No. of Equity Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	Eligible or ineligible shares	No. of years of lock-in
1	December 29, 1992	Cash (Allotment)	10	10	10	Ineligible	1 year
2	March 22, 1994	Cash (Allotment)	15,990	10	10	Eligible	3 years
3	March 11, 1995	Cash (Allotment)	60,000	10	10	Eligible	3 years
4	March 28, 1995	Cash (Allotment)	30,000	10	10	Eligible	3 years
5	September 10, 1997	Cash (Transfer)	33,000	10	10	Eligible	3 years
6.a	March 9, 1998	Cash (Allotment)	250,000	10	10	Pledged - Ineligible #	1 year
6.b	March 9, 1998	Cash (Allotment)	155,000	10	10	Eligible	3 years
7	March 6, 1999	Cash (Allotment)	425,000	10	10	Eligible	3 years
8	March 31, 2000	Cash (Allotment)	265,000	10	10	Eligible	3 years
9	July 20, 2000	Cash (Allotment)	750,000	10	10	Pledged - Ineligible #	1 year
10	December 30, 2000	Cash (Allotment)	500,000	10	10	Eligible	3 years
11.a	March 28, 2007	Bonus (Allotment)	500,000	10	Bonus	Ineligible shares	1 year
11.b	March 28, 2007	Bonus (Allotment)	742,000	10	Bonus	Eligible	3 years
12	August 10, 2007	Transfer (Gift)	22,500	10	Nil	Ineligible	1 year
		Total	3,748,500				

10,00,000 Equity Shares have been pledged with SBI Consortium in relation to the facilities extended to our Company, these shares have not been considered for lock-in of 3 years. Further, bonus shares issued on March 28, 2007 on these pledged shares have not been considered for lock-in.

b. Mr. Kanubhai Thakkar

Sr. No.	Date of allotment / Transfer and made fully paid up	Nature of Payment/ Consideration	No. of Equity Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	Eligible or ineligible shares	No. of years of lock-in
1	December 29, 1992	Cash (Allotment)	10	10	10	Ineligible	1 year
2	March 22, 1994	Cash (Allotment)	15,990	10	10	Eligible	3 years
3	March 11, 1995	Cash (Allotment)	25,000	10	10	Eligible	3 years
4	March 28, 1995	Cash (Allotment)	15,000	10	10	Eligible	3 years
5	September 10, 1997	Cash (Transfer)	33,000	10	10	Eligible	3 years
6.a	March 9, 1998	Cash (Allotment)	250,000	10	10	Pledged - Ineligible #	1 year
6.b	March 9, 1998	Cash (Allotment)	155,000	10	10	Eligible	3 years
7	March 6, 1999	Cash (Allotment)	425,000	10	10	Eligible	3 years
8	March 31, 2000	Cash (Allotment)	265,000	10	10	Eligible	3 years
9	July 20, 2000	Cash (Allotment)	750,000	10	10	Pledged - Ineligible #	1 year
10	December 30, 2000	Cash (Allotment)	500,000	10	10	Eligible	3 years
11.a	March 28, 2007	Bonus (Allotment)	500,000	10	Bonus	Ineligible shares	1 year
11.b	March 28, 2007	Bonus (Allotment)	717,000	10	Bonus	Eligible	3 years
12	August 10, 2007	Transfer (Gift)	21,000	10	Nil	Ineligible	1 year
		Total	3,672,000				

10,00,000 Equity Shares have been pledged with SBI Consortium in relation to the facilities extended to our Company, these shares have not been considered for lock-in of 3 years. Further, bonus shares issued on March 28, 2007 on these pledged shares have not been considered for lock-in.

c. Mrs. Bhikiben Rajput

Sr. No.	Date of allotment / Transfer and made fully paid up	Nature of Payment/ Consideration	No. of Equity Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	Eligible or ineligible shares	No. of years of lock-in
1	December 29, 1992	Cash (Allotment)	10	10	10	Ineligible	1 year
2	March 22, 1994	Cash (Allotment)	10,990	10	10	Eligible	1 year
3	March 11, 1995	Cash (Allotment)	20,000	10	10	Eligible	1 year
3	September 10, 1997	Cash (Transfer)	29,000	10	10	Eligible	1 year
4	March 9, 1998	Cash (Allotment)	405,000	10	10	Eligible	1 year
5	March 6, 1999	Cash (Allotment)	425,000	10	10	Eligible	1 year
6	March 6, 1999	Cash (Transfer)	60,500	10	10	Eligible	1 year
7	March 31, 2000	Cash (Allotment)	262,500	10	10	Pledged - Ineligible \$	1 year
8	July 20, 2000	Cash (Allotment)	750,000	10	10	Pledged - Ineligible \$	1 year
9	December 30, 2000	Cash (Allotment)	500,000	10	10	Eligible	1 year
10.a	March 28, 2007	Bonus (Allotment)	506,250	10	Bonus	Ineligible shares	1 year
10.b	March 28, 2007	Bonus (Allotment)	298,740	10	Bonus	Eligible	1 year
10.c	March 28, 2007	Bonus (Allotment)	426,510	10	Bonus	Eligible	3 years
11	August 10, 2007	Transfer (Gift)	96,000	10	Nil	Ineligible	1 year
		Total	3,790,500				

\$ 10,12,500 Equity Shares have been pledged with Development Credit Bank Limited and Bank of India (DCB Consortium), in relation to the facilities extended to our group firm M/s. Gokul Overseas, these shares have not been considered for lock-in of 3 years. Further, bonus shares issued on March 28, 2007 on these pledged shares have also not been considered for lock-in.

d. Mrs. Manjulaben Thakkar

Sr. No.	Date of allotment / Transfer and made fully paid up	Nature of Payment/ Consideration	No. of Equity Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	Eligible or ineligible shares	No. of years of lock-in
1	December 29, 1992	Cash (Allotment)	10	10	10	Ineligible	1 year
2	March 22, 1994	Cash (Allotment)	990	10	10	Ineligible	1 year
3	March 25, 1995	Cash (Allotment)	20,000	10	10	Ineligible	1 year
4	September 10, 1997	Cash (Transfer)	30,000	10	10	Eligible	1 year
5	March 9, 1998	Cash (Allotment)	405,000	10	10	Eligible	1 year
6	March 6, 1999	Cash (Transfer)	64,000	10	10	Eligible	1 year
7	March 6, 1999	Cash (Allotment)	425,000	10	10	Eligible	1 year
8	March 31, 2000	Cash (Allotment)	265,000	10	10	Pledged - Ineligible \$	1 year
9	July 20, 2000	Cash (Allotment)	750,000	10	10	Pledged - Ineligible \$	1 year
10	December 30, 2000	Cash (Allotment)	500,000	10	10	Eligible	1 year
11.a	March 28, 2007	Bonus (Allotment)	507,500	10	Bonus	Ineligible shares	1 year
11.b	March 28, 2007	Bonus (Allotment)	220,990	10	Bonus	Eligible	1 year
11.c	March 28, 2007	Bonus (Allotment)	501,510	10	Bonus	Eligible	3 years
12	August 10, 2007	Transfer (Gift)	3,000	10	Nil	Ineligible shares	1 year
Total			3,693,000				

\$ 10,15,000 Equity Shares have been pledged with DCB Consortium in relation to the facilities extended to our group firm M/s. Gokul Overseas, these shares have not been considered for lock-in of 3 years. Further, bonus shares issued on March 28, 2007 on these pledged shares have also not been considered for lock-in.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters under the SEBI Guidelines. All Equity Shares being included for computation of Promoters' contribution and three year lock-in are not ineligible for such purposes under Clause 4.6 of the SEBI Guidelines. Further, in accordance with Clause 4.13 of the SEBI Guidelines, the Equity Shares issued last to the Promoters' have been locked-in first.

Equity Shares issued as Bonus which are locked-in for three years are not issued in lieu of ineligible shares in terms of clause 4.6.1(ii) and have not been issued out of revaluation reserves

6. Lock In of Minimum Promoters Contribution

- a. Pursuant to the SEBI Guidelines, an aggregate of 20% of our fully diluted post Issue paid-up capital held by the Promoters shall be locked-in for a period of three years from the date of Allotment in this Issue.

Name of Promoter	Date of allotment / Transfer and made fully paid up	Nature of Payment/ Consideration	No. of Equity Shares	Issue / Transfer Price (in Rs.)	Eligible or ineligible shares	No. of years of lock-in	Percent age of Post Issue paid up capital
Mr. Balvantsinh Rajput	March 22, 1994	Cash (Allotment)	15,990	10	Eligible	3 years	0.06%
	March 11, 1995	Cash (Allotment)	60,000	10	Eligible	3 years	0.23%
	March 28, 1995	Cash (Allotment)	30,000	10	Eligible	3 years	0.11%
	September 10, 1997	Cash (Transfer)	33,000	10	Eligible	3 years	0.13%
	March 9, 1998	Cash (Allotment)	155,000	10	Eligible	3 years	0.59%
	March 6, 1999	Cash (Allotment)	425,000	10	Eligible	3 years	1.61%
	March 31, 2000	Cash (Allotment)	265,000	10	Eligible	3 years	1.00%
	December 30, 2000	Cash (Allotment)	500,000	10	Eligible	3 years	1.90%
	March 28, 2007	Bonus (Allotment)	742,000	Bonus	Eligible	3 years	2.81%
		Total (A)	2,225,990				8.44%
Mr. Kanubhai Thakkar	March 22, 1994	Cash (Allotment)	15,990	10	Eligible	3 years	0.06%
	March 11, 1995	Cash (Allotment)	25,000	10	Eligible	3 years	0.09%
	March 28, 1995	Cash (Allotment)	15,000	10	Eligible	3 years	0.06%
	September 10, 1997	Cash (Transfer)	33,000	10	Eligible	3 years	0.13%
	March 9, 1998	Cash (Allotment)	155,000	10	Eligible	3 years	0.59%
	March 6, 1999	Cash (Allotment)	425,000	10	Eligible	3 years	1.61%
	March 31, 2000	Cash (Allotment)	265,000	10	Eligible	3 years	1.00%
	December 30, 2000	Cash (Allotment)	500,000	10	Eligible	3 years	1.90%
	March 28, 2007	Bonus (Allotment)	717,000	Bonus	Eligible	3 years	2.72%
		Total (B)	2,150,990				8.15%
Mrs. Bhikiben Rajput	March 28, 2007	Bonus (Allotment)	426,510	Bonus	Eligible	3 years	1.62%
		Total (C)	426,510				1.62%
Mrs. Manjulaben Thakkar	March 28, 2007	Bonus (Allotment)	501,510	Bonus	Eligible	3 years	1.90%
		Total (D)	501,510				1.90%
		Total (A+B+C+D)	5,305,000				20.11%

53,05,000 Equity Shares, held by Mr. Balvantsinh Rajput, Mr. Kanubhai Thakkar, Mrs. Bhikiben Rajput and Mrs. Manjulaben Thakkar, as Promoters, shall be locked in for three years from the date of allotment of Equity Shares in this Issue. The Lock-in commences from the date of Allotment of Equity Shares in this Issue. The Promoters have vide their letter dated November 5, 2007 given their consent for lock-in as stated above.

b. Details of Share Capital locked in for one year

In addition to the lock-in of the Promoters' contribution specified above, the entire pre-issue Equity Share capital will be locked in for the period of one year from the date of Allotment of Equity Shares in this Issue. 1,33,74,000 Equity Shares will be locked-in for a period of one year from the date of allotment of the Equity Shares in this Issue.

c. Other requirements in respect of lock-in

As per clause 4.15.1 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters' and offered as 20% minimum promoters' contribution can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one or more of the Objects of the Issue when the loan has been granted by such banks or financial institutions for the purpose of financing.

The Promoters' have pledged some of their Equity Shares and the shares which offered as 20% minimum Promoters' contribution are free shares, not subject to pledge.

As per clause 4.6.4A, pledged securities held by Promoters shall not be eligible for computation of Promoters' contribution. The following shares held by the Promoters have been pledged with Banks. These shares have not been considered for minimum Promoters' contribution lock-in for 3 years.

Name of Promoter	Date of allotment / Transfer and made fully paid up	Nature of Payment/ Consideration	No. of Equity Shares	Issue / Transfer Price (Rs.)	Eligible or ineligible shares	No. of years of lock-in
Mr. Balvantsinh Rajput	March 9, 1998	Cash (Allotment)	250,000	10	Pledged - Ineligible #	1 year
Mr. Balvantsinh Rajput	July 20, 2000	Cash (Allotment)	750,000	10	Pledged - Ineligible #	1 year
Mr. Kanubhai Thakkar	March 9, 1998	Cash (Allotment)	250,000	10	Pledged - Ineligible #	1 year
Mr. Kanubhai Thakkar	July 20, 2000	Cash (Allotment)	750,000	10	Pledged - Ineligible #	1 year
Mrs. Bhikiben Rajput	March 31, 2000	Cash (Allotment)	262,500	10	Pledged - Ineligible \$	1 year
Mrs. Bhikiben Rajput	July 20, 2000	Cash (Allotment)	750,000	10	Pledged - Ineligible \$	1 year
Mrs. Manjulaben Thakkar	March 31, 2000	Cash (Allotment)	265,000	10	Pledged - Ineligible \$	1 year
Mrs. Manjulaben Thakkar	July 20, 2000	Cash (Allotment)	750,000	10	Pledged - Ineligible \$	1 year
		Total	4,027,500			

20,00,000 Equity Shares held by Mr. Balvantsinh Rajput and Mr. Kanubhai Thakkar have been pledged with SBI Consortium in relation to the facilities extended to our Company, these shares have not been considered for lock-in of 3 years.

\$ 20,27,500 Equity Shares held by Mrs. Bhikiben Rajput and Mrs. Manjulaben Thakkar have been pledged with DCB Consortium in relation to the facilities extended to one of our group firm M/s. Gokul Overseas, these shares have not been considered for lock-in of 3 years.

In accordance with Clause 4.16.1 (b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In accordance with Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares that are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

7. Shareholding Pattern of our Company before and after the Issue:

Name of Shareholder	Pre Issue		Post Issue	
	No. of Shares	Percentage Holding	Number of Equity Shares	Percentage Holding
Promoters				
Mr. Balvantsinh Rajput	3748500	20.07%	3,748,500	14.21%
Mr. Kanubhai Thakkar	3672000	19.66%	3,672,000	13.92%
Mrs. Bhikiben Rajput	3790500	20.29%	3,790,500	14.37%

Mrs. Manjulaben Thakkar	3693000	19.77%	3,693,000	14.00%
Promoter (A)	14,904,000	79.79%	14,904,000	56.50%
Promoter Group				
Profitline Securities Private Limited	1837500	9.84%	1,837,500	6.97%
Shantiniketan Financial Services Private Limited	1575000	8.43%	1,575,000	5.97%
Mrs. Hansaben Rajput	54000	0.29%	54,000	0.21%
Mrs. Jashodaben Thakkar	31500	0.17%	31,500	0.12%
Promoter Group (B)	3,498,000	18.73%	3,498,000	13.26%
Promoter + Promoter Group (C=A+B)	18,402,000	98.52%	18,402,000	69.76%
Others - Non Promoter Group				
Granite Hill Venture Capital LLC, USA	266500	1.43%	266,500	1.01%
Mr. Dineshkumar Sharma	7500	0.04%	7,500	0.03%
Mr. Sunilkumar Sharma	3000	0.02%	3,000	0.01%
Total Others (D)	277,000	1.48%	277,000	1.05%
Sub Total (E=C+D)	18,679,000	100.00%	18,679,000	70.81%
IPO - Net Issue to the Public			7,625,000	28.91%
IPO - Employee Reservation			75,000	0.28%
Public Issue (F)			7,700,000	29.19%
Post Issue paid up Share Capital			26,379,000	100.00%

8. Details of Allotment / acquisition of Equity Shares by the Promoter Group:

Name of the Promoter	Date of allotment	Nature of Payment	No. of shares	Face Value (Rs.)	Issue Price (Rs.)
Mrs. Jashodaben Thakkar	December 29, 1992	Cash (Allotment)	10	10	10
	March 22, 1994	Cash (Allotment)	990	10	10
	March 28, 1995	Cash (Allotment)	20,000	10	10
	March 28, 2007	Bonus (Allotment)	10,500	10	Nil
	Total (A)		31,500		
Mrs. Hansaben Rajput	March 11, 1995	Cash (Allotment)	5,000	10	10
	October 30, 2004	Transmission	31,000	10	Nil
	March 28, 2007	Bonus (Allotment)	18,000	10	Nil
	Total (B)		54,000		
Profitline Securities Private Limited	October 21, 2002	Cash (Allotment)	1225000	10	110
	March 28, 2007	Bonus (Allotment)	612500	10	Nil
	Total (C)		1837500		
Shantiniketan Financial Services Private Limited	October 10, 2003	Cash (Allotment)	1050000	10	150
	March 28, 2007	Bonus (Allotment)	525000	10	Nil
	Total (D)		1575000		
	Total (A+B+C+D)		3,498,000		

9. Equity Shares held by top ten shareholders:

a) Particulars of top shareholders as on date of this Draft Red Herring Prospectus.

Sr. No.	Name of Shareholder	No. of Shares	% of pre issue shareholding
1	Mr. Balvantsinh Rajput	3,748,500	20.07%
2	Mr. Kanubhai Thakkar	3,672,000	19.66%
3	Mrs. Bhikiben Rajput	3,790,500	20.29%
4	Mrs. Manjulaben Thakkar	3,693,000	19.77%

5	Profitline Securities Private Limited	1,837,500	9.84%
6	Shantiniketan Financial Services Private Limited	1,575,000	8.43%
7	Granite Hill Venture Capital LLC, USA	266,500	1.43%
8	Mrs. Hansaben Rajput	54,000	0.29%
9	Mrs. Jashodaben Thakkar	31,500	0.17%
10	Mr. Dineshkumar Sharma	7,500	0.04%
11	Mr. Sunilkumar Sharma	3,000	0.02%
	Total	18,679,000	100.00%

b) Particulars of top ten shareholders 10 days prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Promoter	No. of shares	Percentage Holding
1	Mrs. Bhikiben Rajput	3,790,500	20.59%
2	Mr. Balvantsinh Rajput	3,748,500	20.36%
3	Mrs. Manjulaben Thakkar	3,693,000	20.06%
4	Mr. Kanubhai Thakkar	3,672,000	19.94%
5	Profitline Securities Private Limited	1,837,500	9.98%
6	Shantiniketan Financial Services Private Limited	1,575,000	8.55%
7	Mrs. Hansaben Rajput	54,000	0.29%
8	Mrs. Jashodaben Thakkar	31,500	0.17%
9	Mr. Dineshkumar Sharma	7,500	0.04%
10	Mr. Sunilkumar Sharma	3,000	0.02%
	Total	18,412,500	100.00%

c) Particulars of top ten Shareholders 2 years prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Promoter	No. of shares	Percentage Holding
1	Mr. Balvantsinh Rajput	2,484,000	20.24%
2	Mrs. Bhikiben Rajput	2,463,000	20.07%
3	Mrs. Manjulaben Thakkar	2,460,000	20.04%
4	Mr. Kanubhai Thakkar	2,434,000	19.83%
5	Profitline Securities Private Limited	1,225,000	9.98%
6	Shantiniketan Financial Services Private Limited	1,050,000	8.55%
7	Mrs. Hansaben Rajput	36,000	0.29%
8	Mrs. Jashodaben Thakkar	21,000	0.17%
9	Mrs. Gitaben Rajput	15,000	0.12%
10	Mrs. Pushpaben Rajput	15,000	0.12%
10	Mrs. Vandaben Rajput	15,000	0.12%
	Total	12,218,000	99.54%

10. None of the Promoters, members of the Promoter Group or Directors of Promoter Companies have purchased, sold or financed any Equity Shares of our Company, during a period of six months preceding the date on which the Draft Red Herring Prospectus has been filed with SEBI, except as mentioned below:

Date of Transfer	Transferor	No. of Shares	Transfer Price	Transferee
August 10, 2007	Mrs. Samuben Rajput	2000	Gift	Mr. Balvantsinh Rajput
August 10, 2007	Mrs. Samuben Rajput	2000	Gift	Mr. Balvantsinh Rajput
August 10, 2007	Mrs. Samuben Rajput	2000	Gift	Mr. Balvantsinh Rajput
August 10, 2007	Mrs. Santokben Rajput	5000	Gift	Mr. Balvantsinh Rajput

August 10, 2007	Mrs. Santokben Rajput	2500	Gift	Mr. Balvantsinh Rajput
August 10, 2007	Mr. Jetaji Rajput	3000	Gift	Mr. Balvantsinh Rajput
August 10, 2007	Mr. Jetaji Rajput	1500	Gift	Mr. Balvantsinh Rajput
August 10, 2007	Mr. Chhaguji Rajput	3000	Gift	Mr. Balvantsinh Rajput
August 10, 2007	Mr. Chhaguji Rajput	1500	Gift	Mr. Balvantsinh Rajput
		22500		
August 10, 2007	Mr. Khubchandbhai Thakkar	2000	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mr. Khubchandbhai Thakkar	1000	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mr. Hiteshkumar Thakkar	2000	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mr. Hiteshkumar Thakkar	1000	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mr. Madhubhai Thakkar	3000	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mr. Madhubhai Thakkar	1500	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mr. Tarachand Thakkar	2000	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mr. Tarachand Thakkar	1000	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mrs. Bhartiben Thakkar	5000	Gift	Mr. Kanubhai Thakkar
August 10, 2007	Mrs. Bhartiben Thakkar	2500	Gift	Mr. Kanubhai Thakkar
		21000		
August 10, 2007	Mr. Amratji Rajput	5000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mr. Amratji Rajput	3000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mr. Amratji Rajput	4000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Dilipsinh Rajput	5000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Dilipsinh Rajput	2500	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mr. Ganeshji Rajput	3000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mr. Ganeshji Rajput	1500	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Manjulaben Rajput	3000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Manjulaben Rajput	1500	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Vandaben Rajput	15000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Vandaben Rajput	7500	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Gitaben Rajput	15000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Gitaben Rajput	7500	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Pushpaben Rajput	15000	Gift	Mrs. Bhikiben Rajput
August 10, 2007	Mrs. Pushpaben Rajput	7500	Gift	Mrs. Bhikiben Rajput
		96000		
August 10, 2007	Mr. Hareshkumar Thakkar	2000	Gift	Mrs. Manjulaben Thakkar
August 10, 2007	Mr. Hareshkumar Thakkar	1000	Gift	Mrs. Manjulaben Thakkar
		3000		

11. Our Company, our Directors, our Promoters and the BRLMs to this Issue have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares of our Company from any person.
12. An over-subscription to the extent of 10% of this Issue size can be retained for the purpose of rounding off while finalizing the Basis of Allotment.
13. The Equity Shares will be fully paid-up at the time of Allotment failing which no Allotment shall be made.
14. None of our Directors or Key Managerial Personnel hold any Equity Shares in our Company, except as stated in the under the chapter titled “Our Management – Key Managerial Personnel” on page 144 of this Draft Red Herring Prospectus.

15. In the case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion would be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLMs. In case of under subscription in the Net Issue to the Public, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to any other category or combination of categories at the discretion of our Company in consultation with the BRLMs subject to applicable provisions of SEBI Guidelines and the Designated Stock Exchange. Our Company is considering a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of the Pre-IPO Placement.
16. Upto 75,000 Equity Shares have been reserved for allocation to the Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion. Eligible Employees may bid in the Net Issue to the Public portion as well and such Bids shall not be treated as multiple Bids. Any under subscription in the Equity Shares under the Employee Reservation Portion would be treated as part of the Net Issue to the Public.
17. There are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
18. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue and Bidders are subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
19. We have not raised any bridge loan against the Issue Proceeds.
20. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed, except to the extent of Pre-IPO Placement, if any.
21. We presently do not intend or propose to alter our capital structure for a period of six months from the date of this Draft Red Herring Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except to the extent of such Pre-IPO Placement if any, or if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
22. Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital being offered to the public.
23. We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash. The bonus issue by our Company on March 28, 2007 was by way of capitalizing the share premium reserves, which are free reserves of our Company.
24. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
25. Our Promoters and the Promoter Group will not participate in this Issue.

26. As of the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 11.
27. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.
28. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
29. In respect of various agreements entered into by our Company with the lenders and sanction letters issued by our lenders to us, we are bound by certain restrictive covenants regarding the alteration of our capital structure and other restrictive covenants. As per the loan agreements and sanction letters, we are required to take written consent from the lenders, pursuant to which we have taken written consents in relation to this Issue from the following banks:

Sr. No.	Lender	Date of NoC
1.	State Bank of India	October 23, 2007
2.	Development Corporation Bank Limited	October 4, 2007
3.	Union Bank of India	October 16, 2007
4.	Punjab National Bank	October 16, 2007
5.	State Bank of Travancore	October 24, 2007
6.	State Bank of Indore	October 23, 2007
7.	Industrial Development Bank of India Limited	October 26, 2007
8.	Dena Bank	October 19, 2007
9.	Central Bank of India	October 24, 2007
10.	HDFC Bank Limited	October 30, 2007

For further detail please refer the chapter titled “Financial Indebtedness” on page 190 of this Draft Red Herring Prospectus.

30. The securities, which are subject to lock-in, shall carry the inscription “non-transferable” and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to BSE and NSE, where the shares are to be listed, before the listing of the securities.
31. The Equity Shares forming part of Promoters’ contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary.

OBJECTS OF THE ISSUE

The Objects of this Issue are to meet the following:

- I Setting up a new 1500 TPD Soyabean processing plant near Gandhidham, Gujarat;
- II Expansion of our existing edible oil refinery at Surat, Gujarat;
- III Investment in our wholly owned Singapore subsidiary;
- IV Funding part of our long term working capital;
- V Brand building activities;
- VI Investment in increasing warehousing capacities and continuous Capex for existing units
- VII General corporate purposes; and
- VIII Public Issue Expenses.

Further, the Objects of the Issue are to achieve the benefits of listing on the Stock Exchanges. We believe that listing will enhance our Company's brand name and provide liquidity to our Company's existing shareholders. Listing will also provide a public market for the Equity Shares in India.

The main objects clause and objects incidental or ancillary to the main clause of the Memorandum of Association of the Company enable the Company to undertake the existing activities and the activities for which the funds are being raised by us.

We intend to utilize the proceeds of the Issue, after deducting underwriting and management fees, selling commission and other public issue expenses associated with the Issue ("Net Proceeds"), which is estimated at Rs. [●] Lacs for financing the growth of our business.

FUNDS REQUIREMENT

(Rs. in Lacs)

Sr. No.	Particulars	Total Cost
I	Setting up of a new 1500 TPD Soyabean processing plant near Gandhidham, Gujarat	5101.05
II	Expansion of existing edible oil refinery at Surat from 100 TPD to 400 TPD	1231.27
III	Further investment in our wholly owned subsidiary in Singapore	2500.00
IV	Funding part of our long term working capital	6069.86
V	Brand building activities	1500.00
VI	Investment in increasing warehousing capacities and continuous Capex for existing units	1001.68
VII	General corporate purposes	[●]
VIII	Public Issue Expenses	[●]
	Total	[●]

MEANS OF FINANCE

We intend to fund the aforesaid Objects of the Issue through the following means of finance:

(Rs. in Lacs)

Sr. No.	Particulars	Total Cost
I	Bank Loans	3825.00
II	Public Issue	[●]
III	Internal Accruals	[●]
	Total	[●]

As per clause 2.8 of SEBI Guidelines our Company is required to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed Issue. We have identified more than 75% of the stated means of finance and hence are in compliance with the said clause.

Our Company proposes to avail a total term loan of Rs. 3825.00 Lacs from a consortium of banks. We have applied to State Bank of India consortium which might comprise of Punjab National Bank, Development Credit Bank Limited, Bank of Maharashtra Central Bank of India, State Bank of Indore, State Bank of Travancore, Union Bank of India and Dena Bank, vide our applications dated May 24,

2007. The said loan may be given in consortium by our existing SBI Consortium or by a fresh consortium. SBI has vide its letter dated October 26, 2007 given an in-principle approval for Rs. 2000 Lacs. Further HDFC has also given sanction of a term loan for Rs. 1000.00 Lacs vide its letter dated October 31, 2007.

In case of any shortfall in Net Proceeds or cost escalation in the projects, other sources of funds may be explored for any or all of these expenses. Excess money, if any, will be utilized for general corporate purpose including but not restricted for repayment of loans or towards working capital requirement.

The Issue Proceeds will be determined based on the Issue Price discovered through the 100% Book-Building process.

As of September 15, 2007 we have incurred Rs. 2585.09 Lacs from our internal cash accruals, as certified by our Statutory Auditors M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

No part of the Issue Proceeds will be paid as consideration to Promoters, Directors, Key Managerial Personnel, Associates and Group Companies, except to the extent of amount as invested in the wholly owned subsidiary as stated in the Objects of the Issue.

The fund requirement and deployment are based on current internal management estimates, further the projects I and II mentioned above i.e., setting up of a new 1500 TPD Soyabean processing plant near Gandhidham and expansion of our existing edible oil refinery business from 100 TPD to 400 TPD have been appraised by Gujarat Industrial and Technical Consultancy Organization Limited (GITCO), a Joint Venture of ICICI, IBDI, IFCI, State Corporations and Banks for and on behalf of SBI Consortium. Further based on the GITCO report, State Bank of India has also done the appraisal vide its letter dated October 26, 2007. These estimates are based on current business conditions and are subject to change in light of any changes in external circumstances like market dynamics, costs, or other financial condition, business or strategy.

APPRAISAL

Two of the aforesaid objects of the issue i.e. project of setting up of Soyabean processing plant with an installed capacity of 1500 TPD at Gandhidham, Kutch, Gujarat. & project for expansion of edible oil refinery with the installed capacity from 100 TPD to 400 TPD at Surat, Gujarat have been appraised by Gujarat Industrial and Technical Consultancy Organisation Limited (GITCO), vide their report dated August 24, 2007 and September 7, 2007.

Based on the GITCO report, State Bank of India has also done the appraisal vide its letter dated October 26, 2007. SBI has vide its letter dated October 26, 2007 given its no objection to incorporate the required details in this Draft Red Herring Prospectus from the project appraisal report. GITCO has vide its letter dated October 6, 2007 has given its no objection to incorporate the required details in this Draft Red Herring Prospectus from the project appraisal report.

Scope and purpose of the appraisal for the two projects

Our company has approached State Bank of India for its requirement of term and working capital finances. SBI had suggested to obtain a Techno-Economic Viability (TEV) report from GITCO.

Objectives and Scope of the report:

The report examines technical feasibility, market prospects and economic viability of the proposed project. As per the terms of reference, the report deals with the following aspects of the Company and its project:

- Brief history of the Company and broad particulars of the Promoters and their project.
- Product study, status of the industry, demand and supply aspects of the products and market prospects for the proposed project.
- Technical aspects of the project and scrutiny of its technical feasibility.

- Cost of project, means of finance, estimates of working capital requirements and proposed funding arrangement for the same.
- Profitability projections for the next seven years along with detailed analysis of the financial viability of the project.
- SWOT analysis, Sensitivity analysis and ratio analysis
- Key elements of the project.
- Revision in the project cost and means of finance after date of issue of the appraisal report to be disclosed and explained

The SWOT analysis as considered by GITCO for the project are as follows:

Strength

- The Company has been operating for the last fifteen years, wide experience.
- The Company has already installed integrated accounting software - ERP, which will enable the management to make in depth analysis at production, marketing and finance levels.
- The contacts developed by our Company are wide which help them to source the trading goods with ease
- The technology chosen is the latest available technology in the world and is capable of adopting quick stock changes within the shortest possible time. This would enable it to respond to dynamics of the market forces.

Weakness

- The products processed by the Company are edible grade perishable items and hence any impurity in the products may lead to excessive negative publicity.
- Inadequate capacities to cater the market demand

Opportunity

- The Promoters have sufficient experience in this line of activity and the government is also encouraging units engaged in exports. The unit at present imports edible oil which has a huge demand in the local market and exports de-oiled meal and castor oil and its derivatives in the international market.
- The edible oil market in India is growing rapidly. India though being one of the largest consumers of edible oil in the world, still has a very low per capita consumption. Thus substantial potential exists for increase in demand for edible oils in future.
- Due to changing habits of the consumers more and more consumers are shifting their traditional consumption habits to refined oil.

Threat

- The business of trading in edible oil is highly dependent on government policies and the customs duty imposed by Government of India has a major impact on the profits of the company.
- Competition from the existing trading houses and new entrants, particularly multinationals is another risk factor. Since our Company will deal in international trade, fluctuations in the foreign exchange rates of currencies cause another risk factor for the Company.
- The total processing cycle from purchase of raw material to sale for the Company operations is about 90 to 120 days and any fall in the prices of the refined oils in this period may lead to losses if the Company has not entered into any firm sales contracts
- Raw material costs is about 85% to 90% of the total costs.

Our Company has taken some major steps to overcome the external threat

- The Company's manufacturing facilities have an inherent capacity to change its product mix. The Company can use this capacity in favor of the edible oil having the highest price advantage and survive in the market. In the long term, the domestic prices will depend on the increase or decrease in the customs duty and international prices, as India is heavily dependent on import of edible oils.

- The company is already having RBI permission for hedging the company's commodity price risk on various edible oils in the International Commodity Exchanges under Foreign Exchange derivatives Contracts, Regulation 2000. The company purchases material from the international markets. The forex risks are covered by booking forward contract, as soon as the contract for import is entered / as soon as the bill of exchange is accepted, depending upon the forward premium rate and market perception. It has employed professionals to manage and hedge these risks.

Conclusion as contained in the GITCO report

- The Company has adopted competitive marketing strategy to cater the increasing demand for edible oil and its derivatives product and it has wide experience in manufacturing quality product and exploring market
- The Company is also trying to cater South Gujarat and Mumbai market effectively with help of Surat refinery.
- The Company is also trying to cater export market for the soya oil meal in various countries as mentioned above.
- By considering these factors the project would have market viability.

I Setting up of a new 1500 TPD Soyabean processing plant near Gandhidham, Gujarat

Currently our Company has a refinery and vanaspati manufacturing facility at Gandhidham, used primarily for refining of palm oil and soyabean oil. As a step towards backward integration our Company has initiated the process to set up a Soyabean processing plant including crushing, refining and extraction facilities. The plant will have an installed capacity of processing 4,50,000 MTPA seed and resulting into 81,000 MTPA of Soya Oil and 3,69,000 MTPA of Soya De-Oiled Cake converting into a capacity of 1500 TPD soya processing plant.

This new integrated plant shall be beneficial to our Company as the output of the new plant i.e soyabean oil will be an input of the existing refinery, thereby increasing the overall capacity utilisations of the refinery and improving the margins. Also the refinery shall be able to utilise its capacity during the season wherein imports of oil are not economically viable vis-a-vis purchase of local oil.

(Rs in Lacs)

Sr. No.	Particulars	Total Cost	Amount already incurred upto 15-Sep-07	Balance to be incurred
1	Land & Site Development	186.05	160.70	25.35
2	Building & Civil Works	650.00	269.86	380.14
3	<i>Plant & Machinery:</i>			
3.a	<i>Imported</i>	<i>1,000.00</i>	<i>201.62</i>	<i>798.38</i>
3.b	<i>Indigenous</i>	<i>2,400.00</i>	<i>1248.98</i>	<i>1151.02</i>
3.c	<i>Erection</i>	<i>200.00</i>	<i>15.84</i>	<i>184.16</i>
	Total Plant & Machinery	3,600.00	1466.44	2133.56
4	Electrical Installations	375.00	43.01	331.99
5	Miscellaneous Fixed Assets	100.00	-	100.00
6	Provision for Contingencies	60.00	-	60.00
7	Provision for Pre operative exp*.	125.33	29.43	95.90
	Total	5,101.05	1969.44	3126.94

*Includes misc expenses of Rs. 29.43 Lacs.

Means of finance of the project as per the GITCO report are 3825.00 lacs from term loan and the balance from internal accruals. Whereas we intend to utilize the Net Proceeds of the Issue for replenishing our internal accruals to the extent of expenditure already incurred towards the above activities and avail the term loan of 3825.00 lacs.

1. LAND AND SITE DEVELOPMENT:

a. Land

We have already purchased land spread across 135469 sq. mt. at Village Meghpar Borichi, Taluka Anjar, District Kutch strategically located on Gandhidham – Anjar National Highway it is ~10 kms from the main stream Gandhidham Town. We have already paid Rs. 160.70 Lacs towards the acquisition of the land as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

b. Site Development:

The land is substantially developed and therefore we don't expect any major expenditure towards the development of the site except the amount to be spent towards boundary walls, gates etc., which is estimated at Rs. 25.35 Lacs.

The total cost of land & site development is estimated Rs 186.05 Lacs and is sufficient for this proposed project.

2. BUILDING & CIVIL WORKS:

We intend to build a factory and office building at a total estimated cost of Rs. 654.67 Lacs. Our company has appointed M/s. Pyramid Associates, Consulting Engineers to execute and plan the designs, site supervision and construction management.

The building shall consist of the refinery, packaging units, civil works for workshop, godown, tank foundations, boiler house, stores, weigh-bridge, Reverse Osmosis plant, water pump house, laboratory, administrative building and canteen.

Details of the expenditure proposed to be incurred and as appraised by GITCO are as follows:

(Rs in Lacs)					
Sr. No.	Particulars	Qty.	Unit	Rate	Value
1	Meal Flat Storage	6750	Sq.Mtr.	3148	212.49
2	Road/Floorings	20000	Sq.Mtr.	485	97.00
3	Silo 1 & 2	1668	Sq.Mtr.	5759	96.03
4	Commercial / Administration Building	400	Sq.Mtr.	9450	37.80
5	Pipe Rack	180	RMT	15000	27.00
6	Meal Godown	7041	Sq.Mtr.	347	24.43
7	Seed Unloading Section	1977	Sq.Mtr.	1200	23.73
8	Boundary Wall	1207	RMT	1755	21.18
9	Underground Water Tank/RO Plant	299	Sq.Mtr.	6540	19.55
10	Electrical Sub-station	625	Sq.Mtr.	2349	14.68
10.1	Solvent Plant	862	Sq.Mtr.	1426	12.29
11	Day Bin Section	114	Sq.Mtr.	10279	11.75
12	Boiler House	232	Sq.Mtr.	4570	10.62
13	Main Gate	LS	LS	LS	8.66
14	Cooling Tower	149	Sq.Mtr.	5530	8.24
15	Prefatory office	695	Sq.Mtr.	1167	8.11
16	Technical Office	175	Sq.Mtr.	4585	8.02
17	Weigh-bridge	179	Sq.Mtr.	4123	7.38
18	Chimney	8	Sq.Mtr.	57665	4.35
19	Road Colvert	30	Sq.Mtr.	4500	1.35
	Total				654.67

As certified by the structural engineers M/s. K. M. Thacker & Associates vide their certificate dated August 1, 2007. We have already incurred Rs. 269.86 Lacs towards building and civil works as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

3. PLANT & MACHINERY:

Our Company intends to setup a state-of-the-art soyabean processing plant with the time tested technology of imported and indigenous machinery. The total cost of importing, indigenous purchasing and installation, commissioning & erection of plant & machinery is estimated at Rs. 3600.00 Lacs.

Orders for majority of the plant and machinery have already been placed and the deliveries are expected by mid of November 2007. We have already incurred Rs. 1450.06 Lacs from our internal accruals as on September 15, 2007 as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

Summary of Plant & Machinery:

(Rs. in Lacs)

Sr. No.	Particulars	Total
1.	Imported Machinery	1000.00
2.	Indigenous Machinery	2400.00
3.	Installation, Commissioning & Erection expenses	200.00
	Total	3600.00

List of Plant & Machinery:

Imported Machinery:

(Rs. in Lacs)

Sr. No.	Supplier name	Particulars	Purchase order no.	Purchase order date	Amount
1	Arian Engineering Pvt. Ltd. (TNL Brzl)	Seed Cleaner & Prep. Section	Nil	February 19, 2007	415.30
2	Chore Time Brock International	Silos - 2 Nos.	GRSL/SEP/Silos/0131	January 31, 2007	189.60
3	Westfalia Separator Food Tec GmbH	Separator - 1 No.	WS/01/2007	January 15, 2007	101.28
4	Kice Industries, Inc.	1500 TPD Dehulling Plant	GRSL/SEP/Dhlp/0405	April 5, 2007	85.48
5	PTM s.r.l. - soc. Unipersonale	Chain Conveyors & Elevators	GRSL/SEP/C-E/0405	April 5, 2007	51.47
6	PTM s.r.l. - soc. Unipersonale	Bucket Elevator 3 nos.	GRSL/SEP/B-E/0626	June 26, 2007	40.97
7	Schmidt – Seeger AG,	DOC Conveyors & Elevators	GRSL/SEP/DOC/C/0716	July 16, 2007	38.93
8	Chore Time Brock International	Silo Roof	GRSL/SEP/Silos/0914	September 14, 2007	32.79
9	Miscellaneous				44.19
	Total				1000.00

We have already incurred Rs. 269.86 Lacs towards imported plant and machinery as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

Indigenous Machinery

(Rs. in Lacs)

Sr. No.	Supplier name	Particulars	Purchase order no.	Purchase order date	Amount
1	De Smet Chemfood Engg. Pvt. Ltd.	Solvent Extraction Plant	Nil	January 20, 2007	1,080.00
2	Cethar Vessels (P) Ltd.	Boiler 27.5 TPH	GRSL/SEP/Boiler/0115	January 15, 2007	205.16
3	Canara Engineering	Cooling Towers	GRSL/SEP/CT/0203	February 3,	18.03

				2007	
4	Endeavour Instruments P. Ltd.	Weigh Bridge 2 Nos.	GRSL/SEP/WB/0201	February 1, 2007	16.42
5	Aegis Engg. Co. Pvt. Ltd.	Coal Handling System	GO/SEP/CHS/0201	February 1, 2007	24.53
6	Gayatri Project Engg.	Day Bin	GRSL/SEP/D-B/0210	February 10, 2007	9.00
7	Arian Engineering Pvt. Ltd.	Seed Cleaner & Prep. Section	Nil	February 19, 2007	139.06
8	Shivam Water Treater Pvt. Ltd.	R.O.Plant and machinery	GRSL/SEP/RO/0212	February 12, 2007	43.50
9	Doshion Limited	R.O.Plant	GRSL/SEP/RO/0401	April 1, 2007	46.02
10	Arian Engineering Pvt. Ltd.	Degumming Plant	GRSL/SEP/WDP/0401	April 1, 2007	23.50
11	Arian Engineering Pvt. Ltd.	1500 TPD Dehulling Plant	GRSL/SEP/Dhlp/0401	April 1, 2007	28.04
12	Nirmal Energy Limited	Hydro Pneumatic Booster System	GRSL/GDH/0516A	May 16, 2007	1.61
13	Aegis Engg. Co. Pvt. Ltd.	Belt Conveyors	GRSL/SEP/B-C/0529	May 29, 2007	39.37
14	Arian Engineering Pvt. Ltd.	Lecithin Drying Plant	GRSL/SEP/LDP/0625	June 25, 2007	83.00
15	Aegis Engg. Co. Pvt. Ltd.	DOC Receiving & distribution System	GRSL/SEP/DOC/0702	July 2, 2007	49.06
16	Kirby Building System India (Uttaranchal) Pvt. Ltd.	Pre - Fabricated Building-1	GRSL/SEP/07-07-07	July 7, 2007	66.00
17	Kirby Building System India (Uttaranchal) Pvt. Ltd.	Pre - Fabricated Building-2	GRSL/SEP/0712	July 12, 2007	175.00
18	Synapse Engineering Services	DOC Viberating Screen & Hammer Mill	GRSL/SEP/V-B/DOC/0821	August 21, 2007	11.86
19	Chicago Pneumatic Sales	Air Compressors	GRSL/SEP/A-C/0831	August 31, 2007	4.56
20	Texfab Engineers	Air Receivers	GRSL/SEP/A-R/0903	September 3, 2007	1.52
21	Texfab Engineers	Air Receivers	GRSL/SEP/W-R/0903	September 3, 2007	4.46
22	Nucleus Engineers Pvt. Ltd.	Waste water treatment system	GRSL/SEP/W-W-S/0905	September 5, 2007	8.75
23	Texfab Engineers	Miscella Tanks	GRSL/SEP/M-T/0907	September 7, 2007	2.34
24	Jasubhai Engineering Pvt. Ltd.	Bagging Machines	GRSL/SEP/B-M/0908	September 8, 2007	13.16
25	Flair Stainers & Filters	Basket Filter	GRSL/SEP/B-F/0911	September 11, 2007	1.64
26	Spirax Marshall Pvt. Ltd.	Steam Traps	GRSL/SEP/S-T/0912	September 12, 2007	0.94
27	Various suppliers	Pumps /Pipes / Valves (Fittings Mtrl)	Various purchase orders / bills	Various dates	36.64
28	Various suppliers	Structural foundations, steel and MS plates	Various purchase orders / bills	Various dates	255.26
29	Miscellaneous				11.59
	Total				2400.00

We have already incurred Rs. 1248.98 Lacs as on September 15, 2007 towards indigenous plant and machinery as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

Installation, commissioning & erection expenses have been estimated at Rs. 200 Lacs. We have already incurred Rs. 15.84 Lacs as on September 15, 2007 towards the same as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

4. ELECTRICAL INSTALLATIONS:

Electrification consists of transformer, cables, HT yard / Circuit breakers Misc. Sub PCC, Light fittings PCC etc., total amounting to Rs. 375.00 lacs.

The breakup of the electrical installation cost is as under:

(Rs. in Lacs)

Sr. No.	Supplier name	Particulars	Purchase order no.	Purchase order date	Amount
1	Swati Switchgears (India) Pvt. Ltd.	Main Panel, MCC Panels	GRSL/SEP/Panel/0528	May 28, 2007	54.05
2	A. N. Electricals	Electrical equip. & accessories	GRSL/SEP/Elect./0507	May 7, 2007	26.26
3	Voltamp Transformers Ltd.	3000 KVA Oil Filled Transformer	GRSL/SEP/0507	May 7, 2007	23.92
4	Chandresh Cables Ltd.	Elect. Cables	GRSL/SEP/1002	October 2, 2007	23.03
5	Chandresh Cables Ltd.	LT FR Cables 1.1KV Grade	GRSL/SEP/0205	May 2, 2007	11.60
6	Avocab Indutries	Elect. Cables	GRSL/SEP/1002	October 2, 2007	10.36
7	Nicky Enterprises	Wipro Lamps & Osram Light Fitting	GRSL/SEP/0721	July 21, 2007	8.46
8	Manish Electricals	Flameproof & weatherproof Light fitting material	GRSL/SEP/Elect/0618	June 18, 2007	8.25
9	Mohta Electric & Engineering Co.	Crompton Greaves motors	GRSL/SEP/Elect./0529	May 29, 2007	7.87
10	Ajanta Metals	Hot Dip GI Patti	GRSL/SEP/0514A	May 14, 2007	6.37
11	Schneider Electric India Pvt. Ltd.	Electrical Drives	GRSL/SEP/0706	July 6, 2007	5.89
12	U. M. Enterprises	11 KV "SIEMENS" VCB Pannel	GRSL/SEP/0514	May 14, 2007	4.08
13	Accurate Power Control	MCC 2 Panel	GRSL/SEP/0808	August 8, 2007	3.38
14	Avocab Indutries	LT FR Cables 1.1KV Grade	GRSL/SEP/0514	May 14, 2007	3.04
15	Various suppliers	Miscellaneous items	Various purchase orders / bills	Various dates	15.08
16	Various suppliers	Structural and civil works	Various purchase orders / bills	Various dates	101.39
17	Various suppliers	Installation Costs	Various purchase orders / bills	Various dates	24.40
18	Miscellaneous				37.58
	Total				375.00

For the project we will require 3340 KVA of power and an application to Gujarat Electricity Board has been made.

We have already incurred Rs. 43.01 Lacs as on September 15, 2007 towards electrical installations as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

5. MISCELLANEOUS FIXED ASSETS:

		(Rs. In Lacs)
Sr. No.	Particulars	Amount #
1	Fire Fighting Equipments	45.00
2	Motor Vehicles	20.00
3	Furniture & Fixtures	20.00
4	Computers, Printers, etc.	15.00
	Total	100.00

Theses are internal management estimates and no quotations has been obtained for the same.

6. PROVISION FOR CONTINGENCIES:

Our Company has provided for contingencies as 60.00 Lacs which amounts to approximately 1.18% of the cost of the project.

7. PROVISION FOR PRE-OPERATIVE EXPENSES:

Preliminary and pre-operative expenses will include various expenses like interest on term loans, administrative expenses, insurance, legal, professional fees and other such items estimated by the management at Rs. 130.00 Lacs

We have already incurred Rs. 29.43 Lacs as on September 15, 2007 towards miscellaneous expenditure as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

Schedule of Implementation of the Project:

Sr. No.	Activity	Status	As per GITCO expected date of completion	Revised dates of completion as per management
1	Acquisition of Land	Already purchased	Completed	Completed
2	Site Development	Done	Completed	Completed
3	Building and other Civil Works	Building plan prepared, Contracts for civil construction finalized, Work already commenced	30.10.07	30.10.07
4	Order for Plant & Machinery	Orders for major machinery placed	15.04.07	Completed
5	Delivery of Machinery	Already started	15.07.07	10.11.07
6	Erection of Machinery	Already started	15.07.07	30.11.07
7	Tank fabrication	Completed	15.07.07	Completed
8	Piping	Already started	15.08.07	30.11.07
9	Electrical Installations	Already started	15.08.07	15.11.07
10	Pre- Commissioning		01.10.07	07.12.07
11	Trail Runs		15.10.07	15.12.07
12	Commercial Production		01.11.07	01.01.08

II Expansion of existing edible oil refinery at Surat from 100 TPD to 400 TPD

As market demand for the products of our Company is rising, our Company intends to expand its

manufacturing capacities. At present, our Company is having manufacturing facilities at Sidhpur (North Gujarat), Anjar (Kutch) and Surat.

In February 2007, we had purchased an existing functional unit at Surat having a 100 TPD Oil refining capacity. We have already initiated an expansion plan of this undertaking and will be adding another 300 TPD refining capacity taking the total capacity of the plant to 400 TPD.

This location has its own inherent advantages as imported oil can be brought from Dahej port or Hajira Port and can be processed at Surat, so as to cater to south Gujarat and Mumbai markets. This will not only reduce transportation cost and result in substantial savings but also enable us in delivering refined oil on a regular and timely basis.

The expansion plan is already under implementation, the existing land is sufficient for the same, the factory building is being constructed. Orders for plant and machineries have been placed, trial runs are expected by mid January 2008 and full fledged production is expected to start by end of January 2008.

Our Company has purchased vide a sale deed dated February 15, 2007 from Rajhans Vegetable Oil Refinery Private Limited industrial land, factory building, shed, plant and machinery at a consideration of Rs. 3,87,50,000.

Details of cost of project are as follows:

(Rs. in Lacs)							
Sr. No.	Particulars	Total Cost (a)	Purchased via sale deed and paid (b)	Expansion plan (c=a-b)	Amount incurred till 15-Sep-07 on expansion (d)	Amount to be incurred	Total incurred till 15-Sep-07 (b+d) #
1	Land	96.27	96.27	-	-	-	96.27
2	Factory Building	265.00	120.00	145.00	131.95	13.05	251.95
3	Plant & Machinery, Electrification	840.00	192.50	647.50	74.94	572.56	267.44
4	Miscellaneous Fixed Assets	5.00	-	5.00	-	5.00	-
5	Provision For Contingencies	25.00	-	25.00	-	25.00	-
	Total Cost of the Project	1,231.27	408.77	822.50	206.89	615.61	615.66

We have already incurred Rs. 615.66 Lacs as on September 15, 2007 towards Surat unit as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

Means of finance as stated considered by GITCO and SBI is Rs. 900.00 Lacs from bank term loan and the balance from internal accruals, whereas our company has decided that we shall not avail the said bank loan, instead it will be financed from the Net Proceeds of the Issue and the Net Proceeds shall also be used to replenish our internal accruals to the extent of expenditure already incurred towards the above activities.

1. LAND

The existing unit of 100 TPD is spread over 5.95 acres of land at village Navi Pardi, Taluka Kamrej, District Surat, on National Highway No 8 which is about 20 kms from Surat city. The existing land is sufficient for the expansion plan. The cost of the acquisition of the land is 96.27 Lacs, which has already been paid to the seller.

2. FACTORY BUILDING:

There is already an existing factory building of 12681 sq. mtr. And we will construct an additional

factory building of 4714 sq. mt. for the expansion plan. Our Company has appointed M/s. K. M. Thacker & Associates, structural engineers to carry out design, site supervision and construction management. Further contracts to specialized contractors for civil works have been given. Additional super structures to be built consist of refinery, infrastructure for packaging units, civil works for workshop, godowns, tank foundations.

Sr. No.	Particulars	Sq. Mtr
	Proposed Building	
1	Refinery plant	423
2	Storage tanks	628
3	Cooling tower	32
4	Pipe-rack foundation	60
5	Godown-1	1350
6	Godown-2	1600
7	Road	720
	Sub Total	4714

The total cost for the additional building is Rs. 145.00 lacs as certified by M/s. K. M. Thacker & Associates, structural engineers vide their certificate dated August 29, 2007. For the additional building, we have already incurred Rs. 131.95 Lacs as on September 15, 2007 as certified by our Statutory Auditor M/s. M. R. Pandhi & Associates vide their certificate dated September 15, 2007.

3. PLANT & MACHINERY AND ELECTRIFICATION:

The existing 100 TPD is based on a time tested technology; however with the use of certain equipment and detailed specifications, we intend to induce greater flexibility in terms of the different types of crude oils which will be refined in our plant. We have ensured all these detailed specifications and the expanded plant shall be capable of refining cotton wash oil, crude palm oil and crude soyabean oils.

Our Company has placed orders for the main machinery with Chempro Technovation Private Limited, an experienced supplier in this segment. Further we have also engaged Arian Engineering Private Limited to provide expert advice in the design, layout, selection, inspection of plant and machinery along with its commissioning. The total cost of the proposed plant and machinery and electrification costs is 840.00 Lacs.

A detailed break up of indigenous machinery and electrical equipments to be installed is as follows:

(Rs. in Lacs)

Sr. No.	Suppliers Name	Particulars	Purchase order no. / Quotation order	Order date / Quotation date	Amount
1	Chempro Technovation Private Limited	300 TPD physical refining plant	GRSL/SURAT/0401	April 1, 2007	267.72
2	Tinmaco Engg. Co.	Power driven 15 kg. square oil tin automatic four roller machine and flanging machine	GRSL/SDH/0203C	February 8, 2007	20.50
3	Mechelonic Engineers Private Limited	Container side seam Welding machine	GRSL/SDH/0131	January 31, 2007	19.23
4	Samarpan Fabricators Private Limited	Automatic Pouch Filling Machine	GRSL/SURAT/0322	March 22, 2007	9.05
5	Kurang Industrial Corporation	Shearing and Power Press machine	GRSL/SDH/0203A	February 3, 2007	5.84
6	Nishat Engineering Works	Gang Slitting machine	GRSL/SDH/0302B	February 3, 2007	1.80
7	Ashok Machine Tools	Power Press and Rubber Solution Machine	GRSL/SURAT/0328	March 28, 2007	1.48

8	Akshay Engineering	Label Gumming Machine	SRT/grsl/0410	April 10, 2007	0.09
9	Kirby Building Systems India Limited #	Pre-Fabricated Steel Building	306-220	September 8, 2007	74.50
10	Doshion Limited #	Water Treatment Plant	DL/PSD/1051/07-08	October 29, 2007	68.66
10	Accurate Power Control	MCC Panel		April 21, 2007	1.72
11	U.M.Enterprises	VCB Panel	UME/2007-08/87	October 25, 2007	4.08
12	Accurate Power Control	Electrical Panels	UE?QUAT/05-07/018B	May 30, 2007	49.92
13	ABB Limited	L T Motors	ENQ/10/123/DRS/06	October 25, 2006	7.86
14	SKP Transformers	2000 KV, 11 KV/ 433V distribution Trasformer with OLTC	SKP/QUT/283/2007-08	October 26, 2007	19.38
15	Chandresh Cables Limited	1.1 KV Grade, Aluminium Conductor, PVC/XLPE Insulated, PVC Outer Sheathed Armoured Cable	130	October 26, 2007	33.62
16	Avocab Industries	1.1 KV Grade, Aluminium Conductor, PVC/XLPE Insulated, PVC Outer Sheathed Armoured Cable	131	October 26, 2007	18.32
17	Maruti Trading Company	Various Electrical products	Various bills	Various dates	42.38
18	Miscellaneous				1.36
		Total			647.50

These are quotations as received from the suppliers. We shall place the orders in due course.

Electrification consists of cables, HT yard / Circuit breakers Misc. Sub PCC, Light fittings PCC etc. The combined plant will require total power of 1050 KVA. Currently we have a 250 KVA power connection and shall apply for the additional 800 KVA. Further, to ensure uninterrupted power supply and smooth operations, we might also purchase Diesel Generator sets. Installation, Commissioning & Erection expenses have been estimated at Rs. 25 Lacs.

4. MISCELLANEOUS FIXED ASSETS:

Miscellaneous fixed assets as required for the administrative offices will include computers, printers etc totaling to approximately Rs. 5 Lacs. Theses are internal management estimates and no quotations have been obtained for the same.

5. PROVISION FOR CONTINGENCIES:

Our Company has provided for contingencies as 25.00 Lacs which amounts to approximately 2.03% of the cost of the project.

Schedule of Implementation of the Project:

100 TPD refinery is already in operation. The 300 TPD refinery is expected to be start commercial production by January 31, 2008.

Sr. No.	Activity	Status	As per GITCO Expected date of completion	Revised dates of completion as per management
1	Acquisition of Land	Already purchased	Completed	Completed
2	Building and other Civil Works	Already commenced	15.08.07	30.11.2007

3	Order for Plant & Machinery	Majority orders placed	31.08.07	15.11.2007
4	Delivery of Machinery	Already commenced	15.10.07	15.12.2007
5	Erection of Machinery	Already commenced	15.10.07	31.12.2007
6	Tank fabrication	Already commenced	15.09.07	Completed
7	Piping	Already commenced	15.09.07	31.12.2007
8	Electrical Installations	Already commenced	15.10.07	31.12.2007
9	Pre- Commissioning		15.11.07	10.01.2008
10	Trail Runs		01.12.07	15.01.2008
11	Commercial Production		15.12.07	31.01.2008

III Investment in our wholly owned Singapore subsidiary

Singapore is the global hub of edible oil industry with all major oil suppliers having a base in Singapore. Currently we are sourcing about 1,50,000 MT of Palm oil from Malaysia and Indonesia and 1,00,000 MT of soyabean oil from Argentina and Brazil. All major players of the world have their offices in Singapore. Also the small local and fragmented players of Malaysia and Indonesia have their representative offices in the global oil hub Singapore. If we have our presence in Singapore, we shall be in a position to negotiate locally and deal with the small and fragmented oil suppliers of Malaysia and Indonesia, which will further enable us to procure the raw materials at reasonable terms. Setting up of this office was a part of our long term strategy of increasing our foot print in the global markets to reduce the involvement of intermediaries and source raw materials from the producers. The savings in freight and smoother logistics shall be beneficial in improving the operating margins of our Company. It will help us in procuring oil at reasonable terms and also providing assured supplies round the year. This shall further strengthen our procurement base and ensure continuous supply of raw material for our refining mills in India.

This global presence shall help us to improve the scope of exports of De-Oiled Cake and our margins in export of de-oiled cake. The subsidiary shall procure raw materials and trade in edible / non edible oils and their derivatives.

Our Company has already setup a wholly owned subsidiary under the name Maurigo Pte Limited. We propose to invest approximately Rs. 2500 Lacs i.e. US\$ ~6.10 Million for enhancing the resources of the subsidiary.

Details of investment already made by our Company:

As on the date of the Draft Red Herring Prospectus our company is holding 1,00,000 ordinary shares of Maurigo Pte Limited, Singapore \$ 1 (One) each fully paid up aggregating to face value of Rs. 42,90,750/-.

IV Funding part of our Long Term Working Capital

We have assessed our working capital requirement for the financial year 2007 – 2008 at Rs. 16569.86 Lacs. The details of funding our working capital requirement as per our estimates are as follows:

(Rs. in Lacs)

Sr. No.	Particulars	Estimated holding period in days	Amount
A	CURRENT ASSETS		
1	Raw Material	30.00	15,534.25
2	Stock in process	2.00	1,035.62
3	Finished Goods	20.00	10,356.16
4	Debtors	15.00	8,630.14
5	Other Currents Assets	8.00	4,602.74
	Total		40,158.90
B	CURRENT LIABILITIES		
1	Sundry Creditors	40.00	20,712.33
2	Other Currents Liabilities	5.00	2,876.71
	Total		23,589.04

C	Total Working Capital Requirement		16,569.86
	Less:- Current fund based bank limits		5000.00
	Less:- Proposed fund based bank limits		5500.00
	IPO Proceeds		6,069.86

The working capital requirement of our Company is estimated at Rs. 16569.86 Lacs, as per our workings and estimations of our requirements, which is based on our prior experience. Out of which we propose to raise Rs. 6069.86 Lacs from this Issue.

Other than the aforesaid requirements, our Company avails advance against warehouse receipts from BOI & HDFC Bank to the tune of Rs. 35.00 Crores, outside the consortium, during the season when local raw material is available for storage.

Our Working Capital Limits

Currently we have a fund based working capital limit of Rs. 5000.00 Lacs. For the remaining loan of Rs. 5500 Lacs, which may be given in a consortium, we have applied to State Bank of India consortium which might comprise of Punjab National Bank, Development Credit Bank Limited, Bank of Maharashtra Central Bank of India, State Bank of Indore, State Bank of Travancore, Union Bank of India and Dena Bank, vide our applications dated May 24, 2007. The said loan may be given in consortium by our existing SBI Consortium or by a fresh consortium. As on date there is a sanction of Rs. 5000.00 Lacs over and above the additional application made aforesaid and our Company may avail these facilities at its discretion.

(Rs. in Lacs)			
Sr. No.	Bank name	Date of sanction	Amount
1	Punjab National Bank #	April 27, 2007	500.00
2	Dena Bank #	June 24, 2006	500.00
3	Central Bank of India #	June 14, 2006	1000.00
4	Industrial Development Bank of India	September 25, 2007	1000.00
5.	HDFC	July 9, 2007	2000.00
	Total		5000.00

Our Company had availed loan of Rs. 5000.00 lacs as per the consortium documents dated July 2, 2007, mentioned aforesaid and as disclosed in the chapter 'Financial Indebtedness' on page 190 of this Draft Red Herring Prospectus. Then our bankers had given an additional sanction of 2000.00 Lacs as mentioned above. We can avail these facilities subject to appraisal by lead bank (State Bank of India) and execution of stand alone documents with respective banks separately or on execution of fresh consortium documents.

V Brand Building Activities

Our Company is in the business of Solvent Extraction, manufacturing and trading of Edible Oils. The Company intends to increase its share in the retail market. We believe that the branding exercise will enhance the recall value in the minds of customers & will help in increasing demand for their product.

Our Company has in financial year 2006 - 2007 incurred nearly Rs. 300 Lacs towards marketing & brand building and succeeded in increasing its retail sales approximately from 18 % to 30 % which has significantly helped us to improve the margins. The Company has signed Hindi film actress Mrs. Sridevi Kapoor as its "Brand Ambassador". We have budgeted a brand building exercise of Rs. 1500 Lacs for the years 2007 - 2009. The budget includes brand ambassadors fee, television commercials, radio, newspaper, magazine, advertisements and outdoor media like hoardings, bus panels, etc.

Marketing and Branding activities undertaken by our Company

In the last ten years, we believe, we have successfully introduced and marketed our brand in Gujarat. Till 2003, our Company was doing its business mainly in the state of Gujarat and close by areas. With a view to increase its presence throughout the country, we adopted an aggressive plan of marketing the products in the northern, eastern and the north eastern states of the country.

We promoted under the brand name “GOKUL” which is currently well known in Gujarat and other states as well. “GOKUL” was identified as the umbrella brand under which all oil (including vanaspati) brands were marketed and promoted in the **first phase (2004 onwards)**. The first phase marked an entry of Gokul in Rajasthan, Delhi, Haryana, Punjab, J&K, Himachal Pradesh, some parts of Uttar Pradesh, Uttaranchal, Assam and West Bengal wherein our various oils were sold and reached the local retail shelf.

In the **second phase (2006 onwards)** our marketing activities were spread across Maharashtra, Bihar, Jharkhand, Chhattisgarh, remaining parts of Uttar Pradesh, Sikkim and some parts of Tamil Nadu.

In the **third phase (2007 onwards)** in line with our long term marketing strategy of pan India presence we focused our marketing activities towards the rest of the states of India. This was coupled with the branding exercise in news print, media and television.

VI Investment in increasing warehousing capacities and continuous Capex for existing units

Currently we have storage facilities of seed storage at Sidhpur unit of 20000 MT, we intend to setup additional silo of 20000 MT at the unit. We have received quotations for the Capex as mentioned below:

Sr. No.	Name of the Supplier	Machine Particulars	Quotation No.	Quotation date	Amount
1	Mfs/ York/ Stomor, USA	MFS Model S105'-16 Ring Commercial Flat Bottom Silos 10000 MT silo	GIGK3101	October 21, 2007	231.71
2	Brock Grain Systems, Germany	Silos 10000 MT silo	IILLDZ692s-1007	October 24, 2007	197.06
3	Tecnal, Brazil	Expander and Cooler	2132/07	October 15, 2007	117.69
4	Tecnal, Brazil	Flaker TRH 700	2129/07	October 15, 2007	77.36
Total Imported Machinery (A)					623.82
5	K. M. Thacker	Civil Construction work at Gandhidham	--	July 31, 2007	237.24
6	Aegis Engg. Co. Pvt. Ltd.	Belt Conveyors	AEGIS/F-4-2007-08/132	October 30, 2007	6.66
7	Kirby Building Systems India Ltd	Pre-Fabricated Steel Building	306-215 Rev 2	October 23, 2007	128.96
Total Indigenous Machinery (B)					372.86
8	Local suppliers	Miscellaneous Fabrication and Steel	--	--	5.00
Total (A+B)					1,001.68

VII General Corporate Purposes

We, in accordance with the policies set up by our Board, will retain flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. In case of a shortfall in the Net Proceeds of the Issue, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

VIII Public Issue Expenses

The expenses of the Issue include fees of the BRLMs, underwriting commission, selling commission, distribution expenses, statutory fees, fees to legal advisors, fees to advisors, auditors, IPO Grading fees,

printing and stationary costs, registrar costs, advertisement expenses and listing fees payable to the Stock Exchanges among others. The estimated Issue expenses are as follows:

(Rs. in Lacs)			
Particulars	Amount	As % of Total Issue Expenses	As % of Total Issue Size
Lead Management Fees/Underwriting & Brokerage	[●]	[●]	[●]
Fees payable to Registrar including Postage	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing & Distribution of Stationery	[●]	[●]	[●]
Legal Fees	[●]	[●]	[●]
IPO Grading	[●]	[●]	[●]
Others expenses	[●]	[●]	[●]
Total Estimated Issue expenses	[●]	[●]	[●]

Interim use of funds:

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received by us from the Issue. The amount earmarked for meeting the additional working capital requirements may be used to reduce the existing utilization of current working capital facility till actual usage. Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality, interest / dividend bearing liquid instruments including money market mutual funds, deposits with banks for necessary duration. Such investment would be in accordance with investment policies approved by the board from time to time. The management in response to the competitive and dynamic nature of industry will have the discretion to revise its business plan from time to time and consequently the fund requirement may also change. This may include rescheduling the proposed expenditure program and increasing or decreasing expenditure for a particular purpose vis-à-vis the proposed expenditure program.

Monitoring of Utilization of Funds:

As the issue size is less than Rs. 50000 Lacs, there is no requirement for appointment of monitoring agency as per clause 8.17.1 of the SEBI Guidelines.

We will disclose the utilization of the proceeds of the issue under separate head in our balance sheet of the FY 2007-08 and FY 2008-09 clearly specifying the purpose for which such proceeds have been utilized or otherwise disclosed in accordance with the disclosure requirements of the listing agreement with the Stock Exchange. We shall also in our balance sheet for the year FY 2007-08, & FY 2008-09 provide details, if any, and disclose in accordance with the disclosure requirements of the listing agreement in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investment, if any, of such unutilized proceeds of the Issue.

BASIS FOR ISSUE PRICE

Investors should read the following summary along with the sections titled “Risk Factors” and “Financial Statements” beginning on page 12 and 156, respectively and other details about the Company, and its subsidiaries included in this DRHP.

The Issue Price will be determined by the Company in consultation with BRLM considering the following qualitative and quantitative factors and on the basis of assessment of market demand for the Equity Shares, by way of Book Building Process.

QUALITATIVE FACTORS

- One of the leading players with over 15 years of experience in the Edible oil industry
- Strong Pan India distribution network
- Versatile manufacturing capabilities
- Large-scale, state-of-the-art technology based integrated units
- Optimum capacity utilization
- Strategic location of our manufacturing plants
- Export capability
- Increasing global foot print
- High-quality products
- Our wide product range

QUANTITATIVE FACTORS

1. Adjusted Earnings Per Equity Share:

	EPS (Rs.)	Weights
Financial Year ended March 2005	9.76	1
Financial Year ended March 2006	5.98	2
Financial Year ended March 2007	14.56	3
Weighted Average EPS	10.90	
Four months ended July 31, 2007 (Annualised)	27.51	

Note: EPS is calculated on the basis of the restated Profits for the respective Financial Year's.

EPS has been calculated as per following formulae

(Net profit (loss) after tax)/weighted Average no of Equity shares outstanding during the year.

2. Price /Earning* Ratio (P/E ratio) in relation to Issue price is [●]

a. Price/Earning Ratio (P/E)* in relation to Issue Price of Rs. [●]

- (i) Based on FY 2006-07 EPS of Rs. - [●]
- (ii) Based on weighted Average EPS of Rs. - [●]

Note: [●] would be calculated after discovery of the Issue Price through Book-building.

Industry peer P/E

- i) Highest : 52.3
- ii) Lowest : 5.0
- iii) Industry Composite : 17.9

(Source: Capital Market, Volume XXII/17, Oct 22 – Nov 04, 2007, Category: Solvent Extraction)

3. Weighted Average Return on Net worth (RONW)

Period	RONW %	Weights
Year Ended March 2005	21%	1
Year Ended March 2006	11%	2
Year Ended March 2007	22%	3
Weighted Average Return on Net worth	18.17%	
Four months ended July 31, 2007	36%	

The average return on net worth has been computed on the basis of the restated profits and losses of the respective years.

RONW after the issue [•]

RONW has been calculated as per following formulae

(Net profit /loss (after tax)/ (Equity shareholders funds outstanding at the end of the period)

4. Minimum Return on Increased Net Worth required to maintain pre issue EPS is [•]%**5. Net Asset Value per Equity Share**

- As at March 31, 2007: Rs. 67.26
- Issue Price*: Rs. [•]
- NAV after the issue: Rs. [•]

Note: [•] would be calculated after discovery of the Issue Price through Book-building.

NAV has been calculated as per following formulae:

(Shareholders Equity less Miscellaneous Expense)/ Total number of Equity Shares outstanding at the end of the period)

6. Comparison with Industry Peers

Accounting Ratios of some of the Companies in the similar lines of business are given below:

Name of Company	Face Value (Rs.)	EPS (Rs.) (TTM)	RONW (%)	Net Asset Value (Rs)	P/E Ratio
Gokul Refoils and Solvent Limited	10	[•]	22%	67.26	[•]
Peers					
Amrit Banaspati	10	1.2	3.3%	36.0	52.3
K S Oils	1	2.7	53.8%	9.5	32.4
Ruchi Soya Inds	10	32.2	12.4%	231.1	12.7
Sanwaria Agro	2	4.9	13.1%	10.1	15.4
Vimal Oil and Foods	10	6.2	17.7%	25.6	5.0

(Source: Capital Market, Volume XXII/17, Oct 22 – Nov 04, 2007, Category: Solvent Extraction)

(1) NAV (book value per share), RONW & EPS has been calculated as per last fiscal which is year ended March 2007.

- The face value of Equity Shares of the Company is Rs. 10 and the Issue price is [•] time of the face value.

The Issue price of Rs. [●] is determined by the Company in consultation with the BRLM and is justified in view of the foregoing qualitative and quantitative parameters.

Investors are requested to see the section titled “Risk Factors” on page 12 of this Draft Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the Auditors Report on financial statements on page 156 of this Draft Red Herring Prospectus to have a more informed view. Provided however that the Issue Price for the Equity Shares in this Issue has not been determined solely on the basis of such profitability and return ratios, financial statements or other forward looking statements. The Issue Price will be determined on the basis of demand from Investors upon completion of the Book Building process.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Gokul Refoils and Solvent Limited,
State Highway No. 41,
Near Sujanpur Patia,
Sidhpur,
Gujarat – 384 151
India.

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the probable tax benefits that may be available to Gokul Refoils and Solvent Limited (the “Company”) and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 and other allied direct and indirect tax laws presently prevailing and in force in India.

Several of these benefits are subject to the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is subject to fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are neither exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

We do not express any opinion or provide any assurance as to whether:

- The Company or its Shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.
- The revenue authorities / courts will concur with the views expressed herein.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. While all reasonable care has been taken in the preparation of this opinion we accept no responsibility for any errors and omissions therein or for any loss sustained by any person who relies on it.

This report is intended solely for information and for the inclusion in the offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **M. R. Pandhi & Associates**
Chartered Accountants

M. R. Pandhi
Partner
Membership No.: 33057
Date: October 6, 2007
Place: Ahmedabad

BENEFIT UNDER THE INCOME TAX ACT, 1961**A. To the Company**

1. Dividend income (whether interim or final), in the hands of the company as distributed or paid by any other domestic Company referred to in section 115-O is completely exempt from tax in the hands of the Company, under section 10 (34) of the IT Act.
2. Long-term capital gains would be subject to tax at the rate of 20 % (plus applicable surcharge and education cess) as per the provisions of section 112 (1) (b) of the IT Act. However, as per the proviso to Section 112 (1) (b), the long term capital gains resulting on transfer of listed securities or units, [not covered by section 10 (36) and 10 (38)], would be subject to tax at the rate of 20 % with indexation benefits or 10 % without indexation benefits (plus applicable surcharge and education cess) as per the option of the assessee.
3. Long term capital gain arising from transfer of an 'eligible equity share' in a Company purchased on or after the 1st day of March, 2003 and before the 1st day of the March, 2004 and held for a period of 12 months or more is exempt from tax under section 10(36) of the IT Act.
4. Long term capital gain arising from the sale of Equity Share in any company through a recognized stock exchange or from the sale of units of equity-oriented mutual fund shall be exempt from Income tax if such sale take place after 1st of October, 2004 and such sale is subject to Securities Transaction Tax, as per the provisions of section 10 (38) of the IT Act.
5. In accordance with and subject to the condition specified in clause (iia) of sub section (1) of section 32 of the Income Tax Act, 1961, new machinery or plant (other than ships and aircraft) which has been accrued and installed after the 31st March 2005, by the assessee engaged in the business of manufacture or production of any article or thing, additional depreciation equal to 20% of the actual cost of plant and machinery shall be allowed as deduction under clause (ii) of sub section (1) of section 32.
6. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the IT Act, the Company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset [not covered by section 10 (36) and section 10 (38)] if such capital gain is invested in any of the long-term specified assets in the manner prescribed in the said section. Where the long – term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.
7. As per the provisions of Section 54 ED of the IT Act and subject to the conditions specified capital gains arising from transfer of long term assets, being listed securities or units [not covered by section 10 (36) and section 10 (38)] shall not be chargeable to tax to the extent such gains are invested in acquiring Equity Shares forming part of an 'eligible issue of share capital in the manner prescribed in the said section.
8. Short Term capital gains arising from the transfer of Equity shares in any company through a recognized stock exchange or from the sale of units of equity-oriented mutual fund shall be subject to tax at the rate of 10 % provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax, as per the provisions of section 111A of the IT Act.

B. To Resident Shareholders

1. Dividend (whether interim or final) declared, distributed or paid by the company on or after April 1, 2003 is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10 (34) of the IT Act.
2. As per the provisions of Section 112 (1) (b) of the IT Act, long-term capital gains would be subject to tax at the rate of 20 % (plus applicable surcharge and education cess). However, as per the

proviso to Section 112 (1) (b), the long term capital gains resulting on transfer of listed securities or units [not covered by sections 10 (36) and 10 (38)], would be subject to tax at the rate of 20 % with indexation benefits or 10 % without indexation benefits (plus applicable surcharge and education cess) as per the option of assessee.

3. Long Term capital gains arising from the all of equity share in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and the sale is subject to Securities Transaction Tax, as per the provisions of section 10 (38) of the IT Act.
4. Short Term capital gains arising from the transfer of Equity share in any company through a recognized stock exchange or from the sale of units of equity-oriented mutual fund shall be subject to tax at the rate of 10 % provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax, as per the provisions of section 111A of the IT Act.
5. As per the Provisions of section 88E, where the business income of a resident includes profits and gains from sale of taxable Securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
6. In accordance with and subject to the conditions and to the extent specified in section 10 (36) of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their 'eligible Equity Share' in the Company purchased during the period March 1, 2003 to February 29, 2004 (both days Inclusive) and held for a period of 12 months or more.
7. In accordance with and subject to the conditions and to the extent specified in section 54EC of the IT Act, the shareholders would be entitled to exemption from tax on gains arising on transfer of their shares in the Company [not covered by sections 10 (36) and 10 (38)], if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long – term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year which the long-term specified asset is transferred or converted into money.
8. In accordance with and subject to the conditions and to the extent specified in section 54ED of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their assets being listed securities or units [not covered by sections 10 (36) and 10 (38)], to the extent such capital gain is invested in acquiring Equity Share forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.
9. In case of shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the condition and to the extent specified in Section 54F of the IT Act, the shareholder would be entitled to exemption from long term capital gains on the sale of shares in the Company [not covered by section 10 (36) and 10 (38)], upon investment of net consideration in purchase / construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains shall be charged to tax as long-term capital gains in the year in which such residential house is transferred.

C. To Non-Resident Indian Shareholders

1. Dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10 (34) of the IT Act.

2. In the case of shareholder being a non-resident Indian and subscribing to shares in convertible foreign exchange, in accordance with and subject to the conditions and to the extent specified in Section 115D read with Section 115E of the IT Act, long term capital gains arising from the transfer of an Indian company's shares [not covered by sections 10 (36)], will be subject to tax at the rate of 10 % as increased by a surcharge and education cess at an appropriate rate on the tax so computed, without any indexation benefit but with protection against foreign exchange fluctuation.
3. In case of a shareholder being a non-resident Indian, and subscribing to the share in convertible foreign exchange in accordance with and subject to the conditions and to the extent specified in Section 115F of the IT Act, the Non-Resident Indian shareholder would be entitled to exemption from long term capital gains [not covered by sections 10 (36) and 10 (38)] on the transfer of shares in the Company upon investment of net consideration in modes as specified in sub-section (1) of Section 115F.
4. In accordance with the provisions of Section 115G of the IT Act, Non Resident Indians are not obliged to file a return of income under Section 139 (1) of the IT Act, if their only source of income from investments or long term capital gains earned on transfer of such investment or both provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.
5. In accordance with the provisions of Section 115H of the IT Act, when a Non Resident Indian become assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
6. As per the provisions of section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.
7. In accordance with and subject to the condition and to the extent specified in Section 112 (1) (b) of the IT Act, tax on long term capital gains arising on sale on listed securities or units not covered by section 10 (36) and 10 (38) will be, at the option of the concerned shareholder, 10 % of capital gains (computed without indexation benefits) or 20 % of capital gains (computed with indexation benefits) as increased by a surcharge and Education cess at an appropriate rate on the tax so computed in either case.
8. As per the provision of section 10 (38), long term capital gain arising from the sale of Equity shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction Tax.
9. As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity-oriented mutual fund shall be subject to tax at the rate of 10 % provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.
10. As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transactions. However rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
11. In accordance with and subject to the conditions and to the extent specified in Section 10 (36) of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their 'eligible Equity Shares' in the Company purchased during the period March 1, 2003 to February 29, 2004 (both days inclusive) and held for a period of 12 months or more.

12. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the IT Act, the shareholders would be entitled to exemption from tax on long term capital gains [not covered by sections 10 (36) and 10 (38)] arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.
13. In accordance with and subject to the conditions and to the extent specified in Section 54ED of the IT Act, the shareholder would be entitled to exemption from tax on long term capital gains [not covered by section 10 (36) and 10 (38)] arising on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring Equity Shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.
14. In case of a Shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the IT Act, the shareholder would be entitled to exemption from long term capital gains [not covered by sections 10 (36) and 10 (38)] on the sale of shares in the Company upon investment of net consideration in purchase / construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.
15. As per the provisions of Section 90 (2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-resident.

D. To Other Non-Residents

1. Dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 is completely exempt from tax in the hands of the shareholders of the Company, under Section 10 (34) of the IT Act.
2. In accordance with and subject to the conditions and to the extent specified in section 112 (1) (b) of the IT Act, tax on long term capital gains arising on sale on listed securities or units before 1st October 2004 will be, at the option of the concerned shareholder, 10 % of capital gains (computed without indexation benefits) or 20 % of capital gains (computed with indexation benefits) as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case.
3. As per the provisions of section 10 (38), long term capital gain arising from the sale of equity shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be exempt from tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction Tax. As per the provisions of section 111A short term capital gains arising from the transfer of equity shares in any company through a recognized stock exchange or from the sale of units of equity – oriented mutual fund shall be subject to tax at the rate of 10 % provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.
4. As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transaction. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.

5. In accordance with and subject to the conditions and to the extent specified in section 10 (36) of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their 'eligible Equity Share' in the Company purchased during the period March 1, 2003 to February 29, 2004 (both days inclusive) and held for a period of 12 months or more.
6. In accordance with and subject to the conditions and to extent specified in Section 54EC of the IT Act, the shareholders would be entitled to exemption from tax on gains arising on transfer of their share in the Company [not covered by section 10 (36) and 10 (38)] if such capital gain is invested in any of the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.
7. In accordance with and subject to the conditions and to the extent specified in Section 54ED of the IT Act, the shareholders would be entitled to exemption from long term capital gains [not covered by section 10 (36) and 10 (38)] on transfer of their asset being listed securities or units to the extent such capital gain is invested in acquiring Equity shares forming part of an 'eligible issue capital' in the manner prescribed in the said section.
8. In case of shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the IT Act, the shareholder would be entitled to exemption from long term capital gains [not covered by sections 10 (36) and 10 (38)] on the sale of shares in the Company upon investment of net consideration in purchase/construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.
9. As per the provisions of Section 90 (2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.

E. To Foreign Institutional Investors (FIIs)

1. In case of a shareholder being a Foreign Institutional Investor (FIIs), in accordance with and subject to the conditions and to the extent specified in Section 115 AD of the IT Act, tax on long term capital gain [not covered by sections 10 (36) and 10 (38)] will be 10 % and on short term capital gain will be 30 % as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case. However short-term capital gains on sale of Equity Shares of company through a recognized stock exchange or a unit of an equity oriented mutual fund effected on or after 1st October 2004 and subject to Securities Transaction Tax shall be taxed @ 10% as per the provisions of section 111A. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the IT Act are not available to FIIS.
2. As per the provision of Section 90 (2) of the IT Act, the Provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.
3. In accordance with and subject to the conditions and to the extent specified in Section 10 (36) of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their 'eligible Equity Share' in the Company purchased during the period March 1, 2003 to February 29, 2004 (both days inclusive) and held for a period of 12 months or more.
4. Long term capital gain arising from the sale of Equity Share in any Company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction Tax, as per the provisions of section 10 (38) of the IT Act.

5. As per provisions of section 88E, where the business income of assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
6. In accordance with and subject to the conditions and to the extent specified in section 54EC of the IT Act, the shareholders would be entitled to exemption from tax on long term capital gains [not covered by section 10 (36) and 10 (38)] arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified asset is transferred or converted into money.
7. In accordance with and subject to the conditions and to the extent specified in section 54ED of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax [not covered by sections 10 (36) and 10 (38)] on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring Equity Shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.

F. To Mutual Funds

In case of a shareholder being a Mutual Fund, as per the provisions of section 10 (23D) of the IT Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the official Gazette specify in this behalf.

G. To Venture Capital Companies / Funds

In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the IT Act, any income of Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

As per the prevailing provisions of the above Act, shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, no wealth tax shall be levied on value of shares of the company.

BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT -1957

Gift of shares of the company made on or after 1st October, 1998 will not attract Gift tax

BENEFITS AVAILABLE UNDER CENTRAL EXCISE ACT

The goods manufactured and cleared from Company's unit located at Survey no. 89, Meghpar Borichi Tal.Anjar in Kutch District of Gujarat State are exempted from basic excise duty and additional duty of excise up to 4th April 2009 in accordance with and subject to the provisions of notification no.39/2001-CE dated 31/7/2001 as amended from time to time.

Notes:

1. All the above benefits are as per the current tax laws as amended by the Finance Act, 2007 and will be available only to the sole / first named holder in case joint holders hold the shares.

2. In respect of non – residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non- residence has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme. The tax implications of and investment in the equity shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

For **M. R. Pandhi & Associates**
Chartered Accountants

M. R. Pandhi
Partner
Membership No.: 33057
Date: October 6, 2007
Place: Ahmedabad

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The following information includes extracts from publicly available information, data and statistics derived from Industry sources and other sources. Our Company believes the information to be reliable, but neither our Company nor any other independent person has verified the data. Our Company accepts responsibility for accurately reproducing such information, data and statistics, but accepts no further responsibility in respect of such information, data and statistics. Such information, data and statistics may be approximations or may use rounded numbers. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Information, data and statistics that can be obtained from the websites of certain specific organizations are quoted below.

Background and Size of the Indian Edible Oil Industry

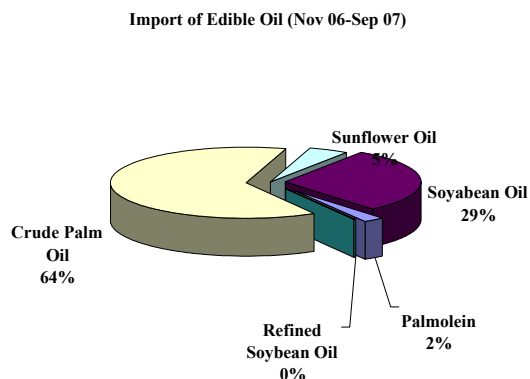
India is world's third largest edible oil economy, after China and US. India's annual consumption is around 10 million tonnes vis-à-vis China's 14.5 million tonnes. However, India's per capita consumption at 10.2 kgs per annum is considerably lower compared to global standards. India is also a leading 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 and imports. The following table shows the import of edible oil made from November 2006 to September 2007.

Particulars	Qty in M.T.
Palmolein	102502
Refined Soybean Oil	9120
Crude Palm Oil	2624632
Sunflower Oil	192795
Soyabean Oil	1225010
Total	4154059

The pie chart below shows the imports category wise.



Source: <http://www.nmcc-vikas.gov.in> , www.ers.usda.gov

Types of Oils commonly in use in India

India is fortunate in having a wide range of oilseeds crops grown in its different agro climatic zones. Groundnut, mustard/rapeseed, sesame, safflower, linseed, nigerseed/castor are the major traditionally cultivated oilseeds. Soyabean and sunflower have also assumed importance in recent years. Coconut is most important amongst the plantation crops. Efforts are being made to grow palm oil in Andhra Pradesh, Karnataka, Tamil Nadu in addition to Kerala and Andaman & Nicobar Islands. Among the non-conventional oils, ricebran oil and cottonseed oil are the most important. In addition, oilseeds of tree and forest origin, which grow mostly in tribal inhabited areas, are also a significant source of oils. Figures pertaining to estimated production of major cultivated oilseeds, availability of edible oils from all domestic sources and consumption of edible oils (from Domestic and Import Sources) during the last few years are as under: -

(In lakhs Tonne)

Oil Year (Nov. - Oct.)	Production of Oilseeds	Net availability of edible oils from all domestic sources	Consumption of Edible Oils (from domestic and import sources)
1998-1999	247.48	69.60	95.82
1999-2000	207.15	60.15	102.11
2000-2001	184.40	54.99	96.76
2001-2002	206.63	61.46	104.68
2002-2003	148.39	46.64	90.29
2003-2004	251.86	71.40	124.30
2004-2005 (Est.)	243.54	72.47	117.89
2005-2006 Prov.	277.31	82.37	125.25

Source: (I) Production of oilseeds: Ministry of Agriculture

(II) Net availability of edible oils: Directorate of Vanaspati, Vegetable Oils & Fat

Consumption Pattern of Edible Oils in India

India is a vast country and inhabitants of several of its regions have developed specific preference for certain oils largely depending upon the oils available in the region. For example, people in the South and West prefer groundnut oil while those in the East and North use mustard/rapeseed oil. Likewise several pockets in the South have a preference for coconut and sesame oil. Inhabitants of northern plain are basically hard fat consumers and therefore, prefer Vanaspati, a term used to denote a partially hydrogenated edible oil mixture. Vanaspati has an important role in our edible oil economy. Its production is about 1.2 million tonnes annually. It has around 10% share of the edible oil market. It has

the ability to absorb a heterogeneous variety of oils, which do not generally find direct marketing opportunities because of consumers' preference for traditional oils such as groundnut oil, mustard oil, sesame oil etc. For example, newer oils like soyabean, sunflower, ricebran and cottonseed and oils from oilseeds of tree and forest origin had found their way to the edible pool largely through Vanaspati route. Of late, things have changed. Through technological means such as refining, bleaching and de-odourisation, all oils have been rendered practically colourless, odourless and tasteless and, therefore, have become easily interchangeable in the kitchen. Newer oils which were not known before they have entered the kitchen, like those of cottonseed, sunflower, palm oil or its liquid fraction (palmolein), soyabean and ricebran. These tend to have a strong and distinctive test preferred by most traditional customers. The share of raw oil, refined oil and Vanaspati in the total edible oil market is estimated at 35%, 55% and 10% respectively.

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

Source: <http://fcamin.nic.in>

Structure of the Industry

The Indian Oil Industry can be classified into the following segments:

Ghanis- These are very small traditional (cottage industry) crushers usually serving rural villages.

Small scale expellers- These have somewhat more modern facilities with a daily production of upto 10 ton.

Solvent Extractors- These tend to crush and process "hard" oilseeds with low oil content.

Oil refiners and;

Vanaspati manufacturers. The Indian Oil Industry is highly fragmented with a large number of small scale producers.

Status of the Vegetable Oil Industry
(As on August 2006)

Type of Vegetable Oil Industry	No. Of Units	Annual Capacity (Lakhs MT)	Average Capacity Utilization
Oilseed Crushing Units	1,50,000 (Approx)	425 (In terms of Seeds)	10-30%
Solvent Extraction Units	711	313 (In terms of Oil-bearing Material)	31%
Refineries attached with Vanaspati Units	127	51 (in terms of oil)	45%
Refineries attached with Solvent Units	297	36 (in terms of oil)	27%
Independent Refineries	585	35 (in terms of oil)	36%
Total Refineries	1009	122 (in terms of oil)	35%
Vanaspati Units	264	53 (in terms of Vanaspati, Bakery Shortening & Margarine)	18%

Oilseeds crushing units include crushing units in the small-scale sector as also in the organized sector. The capacity utilization generally ranges from an average of 10% for the ghanis (small scale sector) to

around 30% in case of the expellers in the organized sector.

Policy

In pursuance of the policy of liberalization of the Government, there have been progressive changes in the Import Policy in respect of edible oils during the past few years. Edible Oil, which was in the negative list of imports, was first de-canalized partially in April, 1994 when import of edible vegetable palmolein was placed under Open General Licence (OGL) subject to 65% of basic Custom Duty. Subsequently import of other edible oils was also placed under OGL, except Coconut Oil. In order to harmonize the interests of farmers, processors and consumers and at the same time, regulate large import of edible oils to the extent possible, import duty structure on edible oils is reviewed from time to time

The major changes that have taken place in the recent years are given in the table below:

August, 2006	With effect from 8.8.2006, special additional duty of customs not applicable on Vanaspati imported from Nepal w.e.f. 11.8.2006, import duty on Crude Palm oil/Crude Palmolein reduced from 80% to 70% and import duty on refined Palm Oil/RBD Palmolein reduced from 90% to 80%.
January, 2007	W.e.f. 24.1.2007, import duty on Crude Palm Oil /Crude Palmolein reduced from 70% to 60%, import duty on refined Palm Oil/RBD Palmolein reduced from 80% to 67.5%, import duty on Crude Sunflower oil reduced from 75% to 65% and import duty on refined Sunflower oil reduced from 85% to 75%.
2007-08 (Budget)	With effect from 1.3.2007, import duty on Crude Sunflower Oil has been reduced from 65% to 50% and import duty on refined Sunflower Oil and other Oils has been reduced from 75% to 60%. Further edible oils (except Soybean oil, rapeseed oil and mustard oil) will attract education cess of 3% of the aggregate of customs duty. With effect from 1.3.2007, all edible oils will not attract Special Additional Duty of customs @ 4%.
April, 2007	With effect from 13-04-2007 import duty on Crude Palm Oil /Crude Palmolein has been reduced from 60% to 50 % and import duty on refined Palm Oil /RBD Palmolein has been reduced from 67.5% to 57.5%

Source: www.fcamin.nic.in

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 is expected to increase to 11 kgs in FY2006 and 11.3 kgs in FY2007. Production is expected to increase at a slower rate during 2007 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.

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.

Source: www.icraindia.com

Source: <http://fcamin.nic.in>

Source: <http://www.seaofindia.com>

GLOBAL SCENARIO OF EDIBLE OIL INDUSTRY-

India is the one of the largest consumer importers of edible oil in the world, next only to China and US. India imports palm oil mainly from Malaysia and Indonesia and the soyabean oil from Argentina and Brazil. 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.

Source: The Capitaline Corporate Database

Price Trend

In Malaysia the prices of Crude Palm Oil had increased by 48% y-o-y to US \$ 556.39 per MT in the month of March 2007. The soyabean oil prices had expanded by 32% to US \$ 679.52 per MT in March '07 in the Chicago Board of Trade.

In the domestic market the crude soyabean oil went up to Rs 439.58 per 10 Kg in the month of April '07, a 21% rise over the corresponding previous period and that of the refined soyabean oil grew by 22% to Rs 464.04 per 10 Kg. The prices of the refined palmolein had improved by 20% to Rs 456.58 per 10 kgs in April '07.

The Imports and Exports decline

The imports of edible oil declined marginally by 3% to 14 lakh Tonne during the period Nov '06 to Mar '07 from 14.5 lakh Tonne in the corresponding previous period. Of the total imports 98% was in the form of crude and the remaining 2% in the form of refined. The imports of the crude oil stood at 3.1 lakh Tonne in the month of Feb '07, an 18% fall from 3.8 lakh Tonne in the corresponding previous period. The import of refined oil declined steeply by 79% to 3941 Tonne in the month of Feb '07 from 19194 Tonne in the corresponding previous period.

The aggregate exports of the oil meal reduced by 7% to 755450 Tonne in the fiscal year ended March '07 as compared to the exports of 809925 Tonne in the fiscal year 2006. There had been a steep drop in the exports of Soya meal that stood at 546700 Tonne for the fiscal year ended March '07, a fall of 23% over the corresponding previous period.

Unchanged tariff value, decreasing duty and appreciating rupee to benefit importers

The tariff prices of the edible oil were last changed in July 2006. The tariff rate remains at US\$ 447 for Crude Palm Oil, US\$ 476 for RBD Palm Oil, US\$ 481 for Crude Palmolein, US\$ 484 for RBD palmolein, US\$ 462 for others – Palm Oil and for the crude soyabean oil the tariff value was US \$ 580 per Metric Tonne.

On 13th April 2007, the customs duty on crude palm oil and RBD palm oil were cut by 10%. Inclusive of education cess (of 3%), the revised duty stands at 51.5% for Crude Palm Oil and 59.23% for RBD Palmolein.

India imports about 40-45% of its requirements from other countries. The prices of the crude palm oil were on the rise driven by the demand of the palm oil for the purpose of bio diesel in Malaysia. Indonesia is also not far behind in the rally. However with the reduction in the customs duty, the tariff value being unchanged and the recent firming up of rupee against the dollar, the importers are benefited by the cheaper imports of the edible oil from other countries. This has forced the domestic players to pass on the benefits of the gaining of rupee to dollar that amounted to Rs 1000 a Tonne or Re 1 a Kg to the consumers to eventually equalize the indigenous market with the international. The players have decided to only part of the benefits obtained from the firming of rupee to the ultimate customers. Thereby the companies are still able to earn substantial margins at present, but as the prices come down they would have to pass on further benefits to the ultimate consumers and with the intense competition the companies would experience reduced margins.

Outlook

The production of oilseeds estimated in the year oil year Nov '06-Oct '07 had been estimated at 233 lakh Tonne as against 280 lakh Tonne in the corresponding previous period. Thus the shortfall would have to be imported from other countries. As the country has imported about 14 lakh Tonne for the period Nov '06-Mar '07, therefore the remaining 33 lakh Tonne would have to be imported from other countries.

In a tight demand supply situation, even small change in either of them has cascading severe impact on the prices. In this context, the tightening supplies of edible oils like palm oil due to partial diversion towards bio diesel drive have lead to flare up in their prices. The global edible oil prices are likely to

firm up further.

The Production of Edible Oil

Month	Hydrogenated Edible Oil	% Var	Soyabean Oil	% Var	Groundnut Oil	% Var	Mustard Oil	% Var
Mar	90541	-48	147692	-7	2583	-76	11453	158
Apr	94724	-46	106842	-28	2292	-79	13830	76
May	101168	-43	76515	-44	3318	-69	18922	138
Jun	98540	-10	77668	-35	2041	-77	16845	87
Jul	112288	-5	114590	119	2593	-14	19728	464
Aug	115874	13	102639	31	1333	-22	12807	95
Sep	136651	21	73864	24	1219	-56	11712	247
Oct	103376	-18	74157	-48	1226	-12	11793	125
Nov	108459	63	73835	-64	1086	-70	12604	164
Dec	101647	44	291887	27	4410	-10	15675	230
Jan	107733	13	192994	-5	3792	-17	11414	174
Feb	105101	3	171249	-6	934	-65	10970	111
Total	1276102	-11	1503932	-12	26827	-59	167753	151
Month	Rice Bran Oil	% Var	Sunflower Oil	% Var	Cotton Seed Oil	% Var	Till Seed Oil	% Var
Mar	83338	-42	9101	16	3519	7	42	-72
Apr	67415	-56	9972	44	3013	-10	26	-86
May	68503	-47	14009	109	2344	-24	111	-26
Jun	67790	-44	17666	194	3143	5	47	-69
Jul	60283	60	18068	146	1638	203	45	-10
Aug	52159	6	9955	10	499	-80	74	0
Sep	50712	29	11974	1	372	-23	169	207
Oct	51062	19	12042	-4	374	-13	170	0
Nov	50628	-5	12380	4	367	-63	90	150
Dec	64704	-29	9135	-32	8844	146	84	-36
Jan	98024	2	15099	33	2003	-55	75	0
Feb	67271	-24	9589	-6	3196	-1	75	999
Total	781889	-25	148990	29	29312	2	1008	10
Note: The Production is in Tonne								
Source: The Central Statistical Organization								

The international prices of Edible oil

Month	Crude Palm Oil-Malaysia		Crude Soyabean Oil- Chicago	
	Current Period	Var %	Current Period	Var %
Apr	386.41	3	518.43	4
May	394.52	7	557.36	11
Jun	386.18	4	550.12	4
Jul	404.02	9	586.78	7
Aug	434.48	21	562.53	11
Sep	416.94	13	534.28	8
Oct	422.32	10	559.71	7
Nov	476.74	27	623.61	27
Dec	528.24	43	628.61	35
Jan	550.78	46	635.6	32
Feb	553.75	42	664.88	34
Mar	566.39	48	679.52	32
Note: The Figure is in US \$ per MT				

Source: Capitaline Corporate Database

The Domestic Prices of Edible Oil

Month	Soyabean Crude Oil		Refined Soyabean Oil		Refined Palmolein	
	Current Period	Var %	Current Period	Var %	Current Period	Var %
May	374.42	9	394.77	9	395.04	9
Jun	375.81	11	394.42	9	400.58	11
Jul	385.31	14	402.85	11	414.38	13
Aug	411.19	24	426.27	20	443.27	22
Sep	405.81	25	421.77	21	423.46	17
Oct	396.54	21	414.83	19	416.38	13
Nov	426.19	30	442	26	434.88	17
Dec	440.77	34	452.58	31	447.88	21
Jan	441.42	37	454.25	34	454.63	26
Feb	425.22	28	437.7	24	435.74	19
Mar	423.08	20	443.4	20	437.8	15
Apr	439.58	21	464.04	22	456.58	20

Note: The Figure is in Rs per 10 Kg
Source: The Capitaline Corporate Database

MAJOR PLAYERS IN INDIA

The major players in the Edible Oil Industries are as follows

Name of the Company	Location	Deals in
Ruchi Soya	Indore	Groundnut oil, Soyabean oil, Sunflower oil, Mustard oil, Palm Oil & Vanaspati
K.S.Oil	M.P.	Mustard oil, Vanaspati, De-oiled Cake, Soya refined oil,
Sanwaria Agro Oil	M.P.	Refined soyabean oil, De-oiled Cake, Lecithin
Jayant Agro Organic	Baroda	Castor based products
Vimal Oil and Foods	Gujarat	Cottonseed, Groundnut, Soya, Mustard & Palm
Gokul Refoils and Solvent Limited	Gujarat	

Source: The Capitaline Corporate Database

OUR BUSINESS

Overview

Our Company was incorporated on December 29, 1992 as Gokul Refoils and Solvent Private Limited vide Registration No. 04-18745 under the Companies Act, 1956. Subsequently it was converted into a public limited Company vide special resolution passed at the Extra Ordinary General Meeting of the Company held on May 2, 1994, pursuant to which, we received a fresh certificate of incorporation dated July 1, 1994 by the Registrar of Companies, Gujarat.

In the year 1982, our Promoters made a modest start by setting up a small seed processing unit and trading in Edible oils. In line with our long term vision our Promoters incorporated our Company in 1992 and setup a Solvent Extraction plant and an oil refinery at Sidhpur, Gujarat. In 2003 our Company setup the Gandhidham unit with a refinery of 800 TPD and Vanaspati plant of 100 TPD. In 2006 we setup four environment friendly wind mills of 1.25 MW each, in Kutch. In 2007 we purchased a 100 TPD operational refinery in Surat and increased the Vanaspati capacity from 100 TPD to 200 TPD. We also have a co-generation power plant of 500 KWH at our Gandhidham unit. Towards expanding the scale of operations and having global presence we setup two wholly owned subsidiaries in Mauritius and Singapore. Today the group's interest includes Solvent Extraction and refining of Edible oil, castor oil and its derivatives, Vanaspati, , power generation, commodity trading in the domestic and international markets.

Our Company is primarily engaged in the business of Solvent Extraction, refining of Edible oils and Vanaspati manufacturing. At present our Company has 680 TPD of seed processing, 600 TPD of Solvent Extraction, 1200 TPD of refining and 200 TPD of Vanaspati manufacturing.

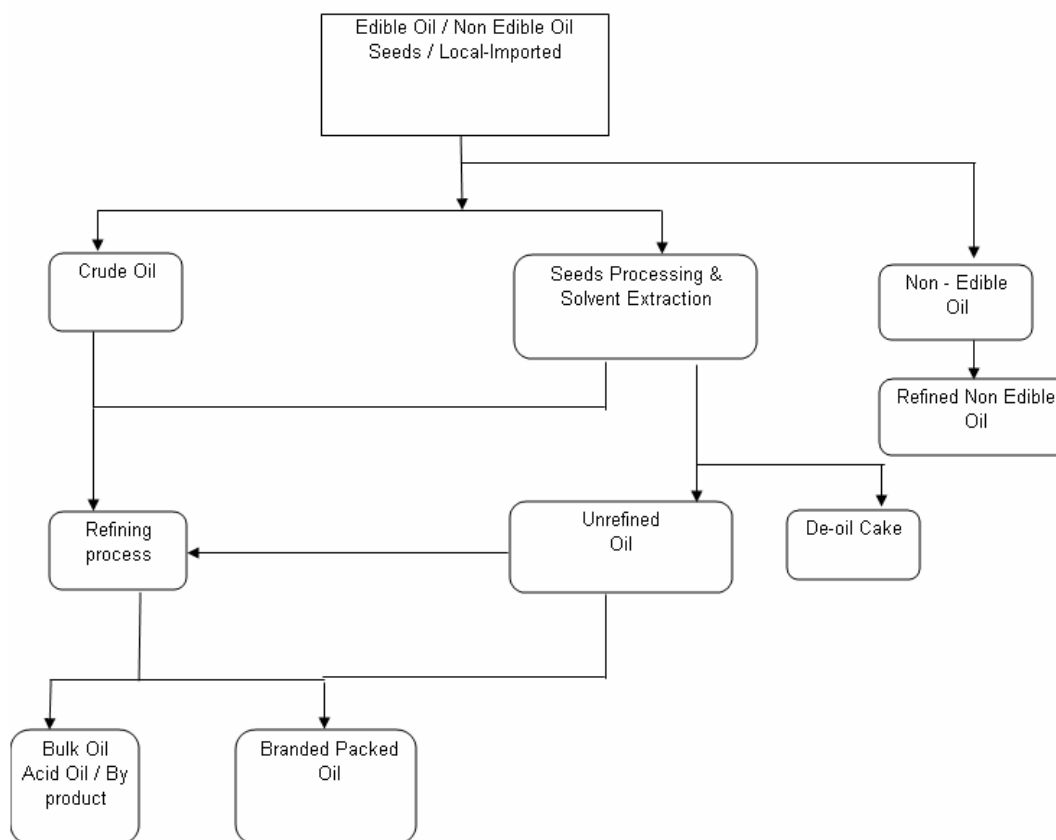
The units are situated at:

- Sidhpur (Sidhpur unit, North Gujarat)
- Anjar (Gandhidham unit, Kutch)
- Navi Pardi (Surat unit, South Gujarat)
- Kutch (Wind mills)

The Company is in the following lines of business:

- Seed processing and Solvent Extraction
 - o Oil cake
 - o Solvent extracted oil
 - o De-oiled cake
- Refining of crude Edible oil to produce refined
 - o Mustard oil
 - o Soyabean oil
 - o Sunflower oil
 - o Groundnut oil
 - o Cottonseed oil
 - o Palm oil
- Hydrogenation of oil to produce
 - o Vanaspati ghee
- Captive power generation plant

The Edible oil industry can be segmented as shown below:



We are in all the areas as circled above. We have our own seed processing and Solvent Extraction facilities, refineries to refine the crude oil, importing of crude oil for refining and manufacturing of Vanaspati ghee, selling our products in bulk and retail through our own distribution network.

We have a well established network spread across 19 States catered by our 18 C&F agents and their 802 distributors, 3 depots, 15 brokers and their 295 resellers, distributing our products through a total 1133 bulk points of presence. These agents then distribute our products to the numerous retailers spread across the length and breadth of India. Our Company has a strong retailing network, going ahead we will further spread our area of operations. We intend to engage more C&F agents, increase the product visibility by our continuous brand building activities through various incentives and promotional schemes for our C&F agents and distributors to have pan India presence.

Current reach of our consumer products are as depicted in the map below:



Our Company has two wholly owned subsidiaries Maurigo International Limited and Maurigo Pte Limited.

Maurigo International limited, based in Mauritius, is engaged in commodity trade in Chicago Board of Trade (CBOT) and MDEX, KL, Malaysia.

Maurigo Pte Limited, based in Singapore is engaged in the business of procuring raw materials and trading in Edible / non edible oils and de-oiled cake in Singapore. It is also into commodity, derivatives trading. These investments have provided global presence to our Company.

Apart from India, our products are exported to USA, European, South East Asian and other countries.



Our Company is a partner in “Gokul Overseas”, a partnership firm, which is engaged in manufacturing and processing of castor seeds, oil and its derivatives having its plant at Kandla Special Economic Zone (KASEZ). This partnership firm has reported a net earning of Rs. 859.00 Lacs on a sales turnover of Rs. 20500 Lacs for the FY 2006-2007. This partnership firm has won the prestigious “SEA Highest Export Award for Rapeseed Meal” for last seven consecutive years. The Federation of Indian Export Organization (FIEO) and Gujarat Chamber of Commerce and Industry have also presented awards to Gokul Overseas for achieving the highest export in Rapeseed Meal category.

Our consolidated total income for the financial years / period ended July 31, 2007, March 31, 2007, 2006 and 2005 was Rs. 657.91 Crores, Rs. 1566.90 Crores, Rs. 1255.76 Crores and Rs. 907.15 Crores, respectively, and our profit after tax for the said years was Rs. 20.70 Crores, Rs. 25.42 Crores, Rs. 12.34 Crores and Rs. 20.05 Crores respectively. Our sales have grown at a CAGR of 39.22% over the last 5 financial years and our PAT has increased at a CAGR of 39.15% over the last 5 financial years.

II Our Competitive Strengths

Strengths

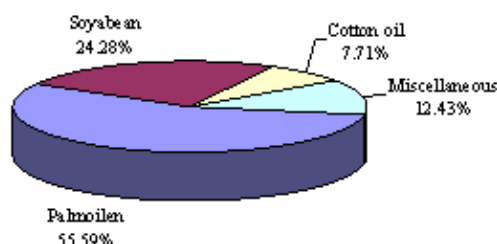
1. One of the leading players with over 15 years of experience in the Edible oil industry

We are in this industry since the last 15 years and our Promoter Directors have been in this industry for over 25 years. Wide experience of the Promoters has helped our Company to grow at this rate. This experience has allowed us to leverage our existing in-house production skills, relationships with our customers and market visibility to further enhance our existing strength in the Edible oil industry and to expand our product offerings and geographic presence, both within India & abroad.

2. Versatile manufacturing capabilities

Our manufacturing facilities at Sidhpur, Gandhidham & Surat have the ability to provide comprehensive range of oil products. Moreover, we believe that we are one of the few players in the vegetable oil industry in India that are able to produce a broad variety of oil & derivative products. Our facilities are versatile in nature, we can process various types of oils including Palmoil, soyabean, cotton, sunflower, groundnut, mustard. The existing setup is such that we can switch over from processing of one type of oil to another type of oil with the no down time. This gives us extreme flexibility to manufacture all types of oils depending on the market requirement and availability of raw materials at competitive rates. Hence, we are not dependent on any particular source of raw material, whether imports or local purchases. Also in case of failure of a particular type of crop, we believe we shall be less affected as we can refine some other oil or can also import oil as we are near to the ports. A breakup of the different types of oil refined is as given below in the chart:

Production / Refining of different oils in FY 2007 in MT



3. Large-scale, state-of-the-art technology based integrated units

The plant and machinery installed are based on state-of-the-art technology, acquired from world renowned suppliers. We have existing capacity as mentioned below:

Existing and proposed production Capacities	Annual Installed Capacity MT
Seed Processing	2,04,000
Solvent Extraction	6,30,000
Oil Refining	4,50,000
Vanaspati	60,000

Our manufacturing facilities are quite integrated starting from, our own seed processing facilities, Solvent Extraction capabilities, refineries to refine the crude oil, import of crude oil for refining round the year, packaging of the products in our in-house tin cans manufacturing facilities and manufacturing of Vanaspati ghee. Our existing Sidhpur and Gandhidham units are ISO 9001:2000 certified. We believe that this large-scale and versatile manufacturing infrastructure gives us a significant advantage over other unorganized players in the industry and allows us to compete more effectively with organized manufacturers in this sector. Our large-scale, versatile operations allow us to develop efficient and cost-effective processes for different products at short notice and to maintain capacity to take on new opportunities as they arise. As a result, we are able to reach a wider market through our large scale of operations and to provide a product mix that responds to customer demands.

Improved Product mix

Product mix for FY 2006 in MT

Product mix for FY 2007 in MT



Our dependence on refined Edible / Non Edible Oils has reduced from 67% in 2006 to 52% in 2007, we are diversifying our product base, we are increasing the share of our other products to improve our margins.

We intend to reduce our dependence on the bulk sales market by further expanding our share in the retail market segment. The retail sale forms around 18% of our total sales for the financial year 2006 and forms around 30% of the total sales for the financial year 2007.

4. Optimum capacity utilization

Our Company has been utilizing its capacities at optimum levels, inspite of the constant increase in its capacities over the years. We have been utilizing our capacities of seed processing - 79.12%, oil refining - 73.85%, cake extraction - 66.20% and Vanaspati - 65.81% capacity levels. Using the capacities at these levels will allow us to sustain the competition and enable us to achieve economies of scale, which are not available to the competitors not achieving optimum capacity utilization whether organized or unorganized.

5. High-quality products

We have invested in high-quality, technologically advanced manufacturing equipments to ensure efficient production of high-quality products. The scale of our operations and our experience in the business, have enabled us to provide higher quality products in response to customers demand for “premium” Edible oil. We believe our high-quality products set us apart from the unorganized sector of the Edible oil industry and enable us to compete with the organized players. We also believe that our investment in technology also allows us to provide a higher quality to our overseas customers demanding bulk quantities, allowing us to attract new customers and differentiate ourselves from other competitors.

6. Our wide product range

Our Company has wide range of products, offering Mustard oil, Sunflower oil, Groundnut oil, Cottonseed oil, Palmolein oil, Vanaspati oil and Soyabean oil. We are engaged in the business of oil refining, seed processing, and Solvent Extraction. The Company has varied oil & derivative products in its product basket allowing the customer to choose from them. Commitment to uphold product excellence using ISO 9002 gives a competitive edge to Company’s products. Our Company mainly deals in Edible oils in bulk quantities and consumer retail packs of 15 Kgs, 15 Litre, 10 Litre, 5 Litre, 1 Litre and 500 ml. Penetration in the rural areas is more with smaller packs.

Currently most of our revenues is derived from Edible oils, De-oiled Cakes etc. We also intend to increase our product range by introducing new generation and hygienic products. We derive most of revenue from sales in the domestic market of mentioned below:

- Solvent extracted Oil
- Refined Soyabean Oil
- Refined Sunflower Oil
- Refined Mustard Oil

- Refined Groundnut Oil
- Refined Cotton Oil
- Refined Palm Oil
- Refined Castor Oil
- Hydrogenated Vanaspati Oil / Vegetable Ghee
- De-Oiled Cake

7. Distribution network

We have a well established network spread across 19 States catered by our 18 C&F agents and their and 802 distributors, 3 depots, 15 brokers and their 295 resellers, distributing our products through a total 1133 bulk points of presence. These agents then distribute our products to the numerous retailers spread across the length and breadth of India. Our Company has a strong retailing network, going ahead we will further spread our area of operations. We intend to engage more C&F agents, increase the product visibility by our continuous brand building activities through various incentives and promotional schemes for our C&F agents and distributors to have pan India presence. With the help of distribution network & marketing team, we keep ourselves updated about market demand & consumer requirements. Based on this information & marketing team, we reschedule our production & distribution. We keep adequate stocks at our depots so as to make our product available at short notices.

8. Strategic location of our manufacturing plants

All our plants are strategically located near the source of raw materials to ensure cost savings and optimum logistic benefits. Our manufacturing plants are at

Sidhpur – Situated in the north of Gujarat state in Patan district. It is very close to the main source of raw materials producing areas namely, Rajasthan, Madhya Pradesh & Gujarat, ensuring timely and adequate supply of raw materials viz. mustard seed, soyabean seed, castor seeds.

Gandhidham – This plant is situated in taluka Anjar, district Kutch, Gujarat. It is very near to the Kandla port thereby ensuring time savings and a cost effective method for import of crude oil during the off season of local seeds availability.

Surat – This plant is very near to the Dahej and Hajira port to ensure continuous supply of imported crude oil and minimum logistic cost. Also this is very near to the end user markets of South Gujarat and Maharashtra state.

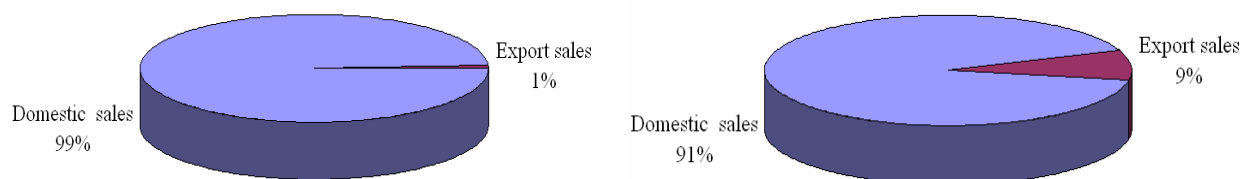
9. Export capability

In the Solvent Extraction process we have a by-product (De-Oiled Cake) from the different oils which we produce and process, viz. Mustard, Soyabean, Groundnut, Cotton, etc. We export these by-products, of consistent quality, in bulk quantities, this helps us earn better realizations on our by-products as we save on the logistics cost. Other players with smaller capacities cannot export, as their by-products are in smaller quantity and it is not economically viable to export such small quantities, we also purchase these small quantities from units with small capacities and export. Hence our Company becomes a one point solution supplier for the importers of De-Oiled Cake. This also indirectly allows us to hedge the exchange fluctuation risk related to import of crude oil.

We have increased our export sales from 889.22 Lacs in FY 2006 to 13644.35 Lacs in FY 2007, this has improve our margins and to diversify our risks, other than offering natural hedge against foreign exchange fluctuations. Break up of our sales between exports and domestic market is as follows:

Geographical sales mix for FY 2006

Geographical sales mix for FY 2007



10. Increasing global foot print

Our Company has already invested part of its investment in the foreign subsidiary in Singapore & Mauritius. The Mauritius subsidiary is involved in hedging of commodity whereas Singapore subsidiary is involved into procurement of raw material and trading of commodity.

Our Strategy

Backward Integration

As a part of backward integration at the Gandhidham unit, where we are currently using significant capacity in refining crude Soyabean oil, we intend to setup a Soyabean Solvent Extraction plant. The output of the Solvent Extraction plant shall form part of the input of the existing refining unit at Gandhidham.

Perennial Operations

Soyabean seed is available in the local market for approximately 4 months in a crop year. For rest of the year we import crude Soyabean oil. During the local crop season and increased supply in the raw material prices in domestic market tend to reduce, resulting into an imbalance between the import prices and local price of crude oil, hence import of crude oil becomes unviable. To ensure that perennial supply of refined Soyabean oil for our customers, our Company is setting up this Soyabean Solvent Extraction plant this will also help to increase our exports.

Continuous increase in manufacturing capacities

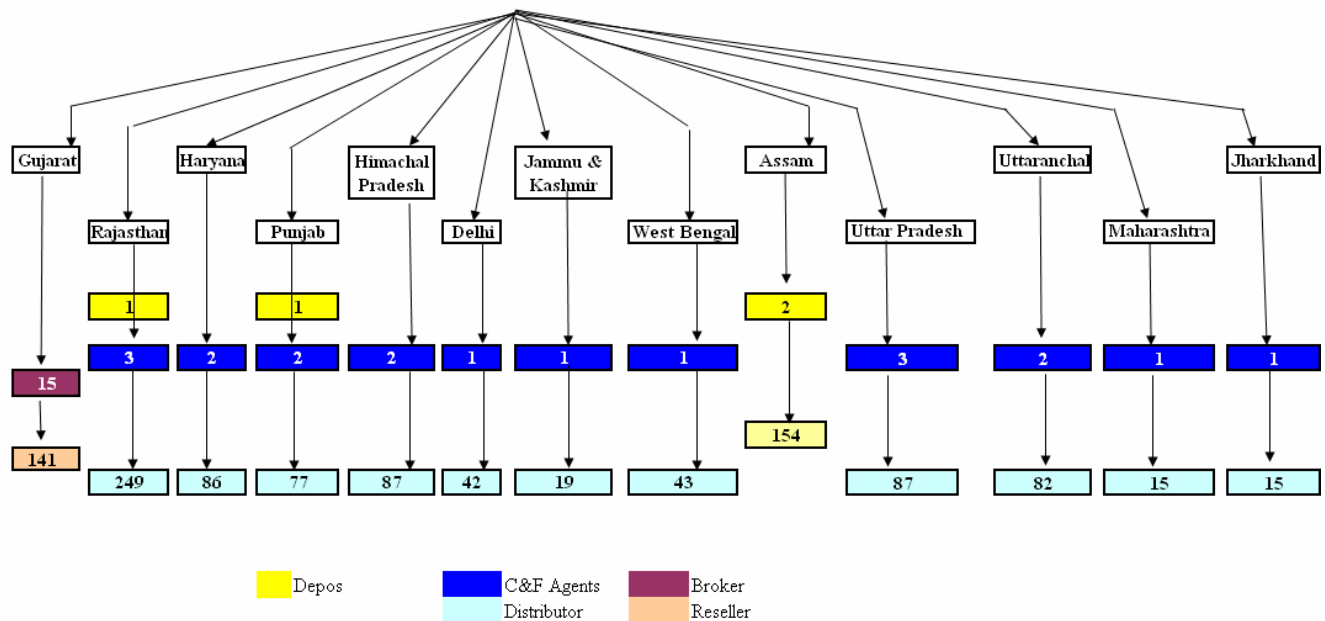
It has been our Company's endeavor to continuously increase our capacities. Our refining capacities were increased from 1100 TPD in FY 2005 to 1200 TPD in FY 2007 and shall increase to 1500 TPD in FY 2008. Further we are also setting up a new Soyabean plant of 1500 TPD to increase the seed processing and Solvent Extraction capacity from 1280 TPD to 2780 TPD. We intend to keep on adding capacities to meet the increasing demand of our products.

Marketing Strategy of the Company

Retailing

We have a well established network spread across 19 States catered by our 18 C&F agents and their and 802 distributors, 3 depots, 15 brokers and their 295 resellers, distributing our products through a total 1133 bulk points of presence. These agents then distribute our products to the numerous retailers spread across the length and breadth of India. Our Company has a strong retailing network, going ahead we will further spread our area of operations.

Gokul Group's Network of C&F Agents, Distributors, Brokers and Resellers across India



We shall engage more C&F agents, increase the product visibility by our continuous brand building activities. This will be adequately backed by our brand building and promotional activities. We intend to engage more C&F agents, increase the product visibility by our continuous brand building activities through various incentives and promotional schemes for our C&F agents and distributors to have pan India presence.

Our Company mainly deals in Edible oils in bulk quantities and consumer retail packs of 15 Kgs, 15 litre tin and plastic jars, 5 Litres can, 1 Litre pouches and bottles, 500 ml pouches and bottles. Going ahead, in line with our expansion plans, we intend to market more aggressively our smaller packs of 1 Litre pouches and bottles, 500 ml pouches and bottles for small retail consumers. Penetration in the retail markets is more with smaller packs. The consumption pattern of the low income group is to buy ready to use small packs as and when required. We have better realizations on these small packs.

Brand and Brand Promotion

In tune with our retailing endeavors, we have got our various brands registered. We also intend to create brand for the new generation products developed by innovation. The brand building exercise is a part of that initiative that will enable greater visibility for Company's brands on the retail shelf and will enhance the recall value in the minds of customers thereby leading to increased demand for our products.

Our Company has in financial year 2006 - 2007 incurred nearly Rs. 300 Lacs towards marketing & brand building and succeeded in increasing its retail sales from 18 % to 30 % which has significantly helped us to improve the margins. The Company has signed Hindi film actress Mrs. Sridevi Kapoor as its "Brand Ambassador". We have budgeted a brand building exercise of Rs. 1500 Lacs for the years 2007 - 2009. The budget will include brand ambassadors fee, television commercials, radio, newspaper, magazine, advertisements and outdoor media like hoardings, bus panels, etc.

Marketing and Branding activities undertaken by our Company

In the last ten years, we believe, we have successfully introduced and marketed our brand in Gujarat. Till 2003, our Company was doing its business mainly in the state of Gujarat and close by areas. With a

view to increase its presence throughout the country, we adopted an aggressive plan of marketing the products in the northern, eastern and the north eastern states of the country.

We promoted under the brand name “**GOKUL**” which is currently well known in Gujarat and other states as well. “**GOKUL**” was identified as the umbrella brand under which all oils (including Vanaspati) were marketed and promoted in the **first phase (2004 onwards)**. The first phase marked an entry of Gokul in Rajasthan, Delhi, Haryana, Punjab, J&K, Himachal Pradesh, some parts of Uttar Pradesh, Uttaranchal, Assam and West Bengal wherein our various oils were sold and reached the local retail shelf.

In the **second phase (2006 onwards)** our marketing activities were spread across Maharashtra, Bihar, Jharkhand, Chhattisgarh, remaining parts of Uttar Pradesh, Sikkim and some parts of Tamil Nadu.

In the **third phase (2007 onwards)** in line with our long term marketing strategy of pan India presence we focused our marketing activities towards the rest of the states of India. This was coupled with the branding exercise in news print, media and television.

Increasing global foot print

Our Company has already invested part of its investment in the foreign subsidiary in Singapore & Mauritius. The Mauritius subsidiary is involved in hedging of commodity whereas Singapore subsidiary is involved into procurement of raw material and trading of commodity.

Singapore is the global hub of Edible oil industry with all major oil suppliers having a base in Singapore. Currently we are sourcing about 1,50,000 MT of Palm oil from Malaysia and Indonesia and 1,00,000 MT of Soyabean oil from Argentina and Brazil. All major players of the world have their offices in Singapore. Also the small local and fragmented players of Malaysia and Indonesia have their representative offices in the global oil hub Singapore. If we have our presence in Singapore, we shall be in a position to locally negotiate and deal with the small and fragmented oil suppliers of Malaysia and Indonesia, which will further enable us to procure the raw materials at reasonable terms. Setting up of this office shall be a part of our long term strategy of increasing our foot print in the global markets to reduce the involvement of intermediaries and source raw materials from the producers. The savings in freight and smoother logistics shall be beneficial in improving the operating margins of our Company. It will help us in procuring oil at reasonable terms and also assured supplies round the year. This shall further strengthen our procurement base and ensure continuous supply of raw material for our refining mills in India.

This global presence shall help us to improve the scope of exports of De-oiled cake and our margins in export of De-oiled cake. The subsidiary shall procure raw materials and trade in edible / non Edible oils and their derivatives.

Enterprise Resource Planning

The Company has installed an Enterprise Resource Planning (ERP) to enable to make in depth analysis of its activities to ensure smooth operations of our Company.

Opportunities

Rationalization of tax structure: The oil industry has ample presence of unorganized players. This gives an opportunity to our Company to grow in the new VAT tax regime. We have presence in many states and VAT has been implemented in majority of states where we operate. Thus we are in a position to compete with the local players, hence creating a level playing field. This is a positive step for the Edible oil industry in the country.

The unit at present imports Edible oil which has a huge demand in the local market and exports De-oiled meal and castor oil and its derivatives in the international market.

The Edible oil market in India is growing rapidly. India though being one of the largest consumers of

Edible oil in the world, still has a very low per capita consumption. Thus substantial potential exists for increase in demand for Edible oils in future.

Due to changing habits of the consumers more and more consumers are shifting their traditional consumption habits to refined oil.

Due to seasonal factors, sometimes there is disparity between domestic and international prices of Soyabean oil and in that case, dependence on import may have adverse impact, resulting into discontinuation of Soyabean oil refining. Local production of Soyabean oil will ensure perennial supply of Soyabean oil in the market even during times of price disparity.

Increase in exports will provide natural hedge against currency risk as our Company is major importer.

In 2006 we setup four environment friendly wind mills of 1.25 MW each.

Summary of the projects

LOCATION OF THE PROPOSED PROJECT

Our Company has decided to set up a Soyabean processing plant at Gandhidham with an installed capacity of 1500 TPD including refining and Solvent Extraction facilities. For this purpose the Company has already purchased a land at Village Meghpar-Borichi, Taluka Anjar, District Kutch on Gandhidham-Anjar National Highway.

PLANT & MACHINERY, TECHNOLOGY AND PROCESS

PLANT AND MACHINERY

The details of the plant and machinery proposed to be installed for the new project have been mentioned under the section "Objects of the Issue" on page 63 of this DRHP.

TECHNOLOGY AND PROCESS

Technology

Our Company has procured the entire process plant & machinery for the main refinery and the fractionation plant from De Smet Chemfood Engineering Private Limited. The plant is completely automatic that ensures absolute hygiene and purity. Among the various modification processes used in the oils and fats industry, fractionation has gained increasing interest as a proven, widespread and clean technology frequently replacing partial hydrogenation and solvent fractionation.

R&D Facilities

Our Company has R&D facilities to improve their existing product quality and for new product development. For that we installed pilot plant. Our Company has succeeded in this aspect.

Quality Control and Quality Assurance (QA & QC)

Our Company is following international standards. Our QA & QC ensured good laboratory practices (GLP'S). Our Quality Assurance and Quality control department ensure controls at every stage from raw material purchase to finished product dispatch. We receive raw materials from selected vendors only. After the raw material reaches the unit, our quality assurance department checks the materials for quality, and then certifies. Certified material is then unloaded in our godown / tanks. For controlling the processing, Quality monitoring systems are placed to ensure quality at all steps. At each and every step of processing our quality control department has good control which ensures better quality product to our customers. After completion of the process steps, finished products are checked for quality. Quality is checked both at the time of storage and at the time of dispatch also.

Our QA & QC department has qualified staff and sophisticated analytical equipment like Gas Liquid Chromatography, NMR, Spectrophotometer, Karl Fisher Titrator, Brookfield Viscometer etc., to give quick analysis reports to support the processing people and to improve the quality of our products.

Manufacturing Facilities

Existing

Our Company is involved in seed processing, Solvent Extraction, oil refining, Vanaspati ghee, soyabean oil, etc. We carry out these activities at the below mentioned units as detailed below:

Sidhpur

Facilities	Capacity
Seed processing	680 TPD
Solvent extraction	600 TPD
Oil refining	200 TPD
Tin cans manufacturing	20000 cans per day

The Company is using this unit for Solvent Extraction and refining of oil. These facilities at Sidhpur are composite and integrated to have advantage of savings in processing and other cost.

Gandhidham

Facilities	Capacity
Oil refining	900 TPD
Vanaspati manufacturing	200 TPD
Tin cans manufacturing	20000 cans per day

Surat

Facilities	Capacity
Oil refining	100 TPD

Besides this our Company has 4 wind turbines of 1.25 MW and 500 KWH of co-generation power plant.

Proposed

At Gandhidham

As step towards backward integration, the Company has decided to set up a Soyabean processing plant at Gandhidham with an installed capacity of 1500 TPD including processing, refining and extraction facilities.

At Surat

It is also proposed to increase the refining capacity from 100 TPD to 400 TPD at Surat unit.

Capacity & capacity utilization for the last three years

The following table gives the consolidated capacity for the last 3 financial years ended on March 31, 2005, 2006, 2007 and also projected capacities for financial years' ending on March 31 2008, 2009 and 2010.

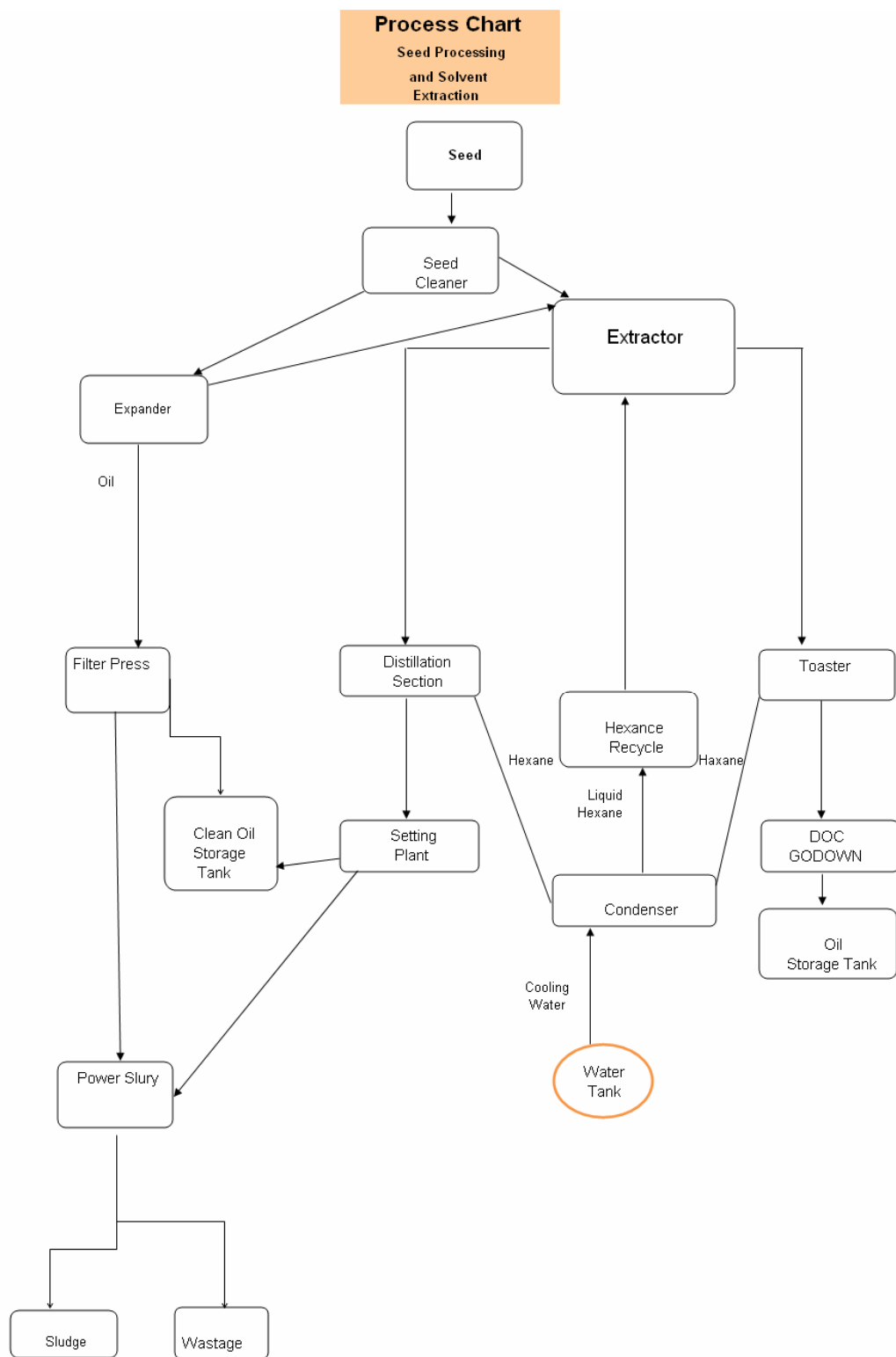
(In M.T.)						
Process	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Existing Production Capacity						

and Capacity Utilization						
Seed Processing						
Annual Installed Capacity	60,000	60,000	1,20,000	2,04,000	2,04,000	2,04,000
Utilized Capacity	16,035	46,459	94,938	1,46,400	1,73,400	1,77,600
% of Installed capacity Utilized	26.73%	77.43%	79.12%	71.76%	85%	87.06%
Oil Refining						
Annual Installed Capacity	3,30,000	3,30,000	3,60,000	3,60,000	3,60,000	3,60,000
Utilized Capacity	2,28,548	2,60,434	2,65,872	2,88,000	3,06,000	3,24,000
% of Installed capacity Utilized	69.25%	78.92%	73.85%	80%	85%	90%
Cake Extraction						
Annual Installed Capacity	90,000	90,000	1,80,000	1,80,000	1,80,000	1,80,000
Utilized Capacity	17,220	66,813	1,19,174	1,26,000	1,53,000	1,62,000
% of Installed capacity Utilized	19.13%	74.24%	66.20%	70%	85%	90%
Vanaspati						
Annual Installed Capacity	30,000	30,000	30,000	60,000	60,000	60,000
Utilized Capacity	8,381	12,293	19,744	36,000	42,000	48,000
% of Installed capacity Utilized	27.94%	40.98%	65.81%	60%	70%	80%
Proposed Production Capacity and Capacity Utilization						
Soyabean Seed Extraction						
Annual Installed Capacity	--	--	--	4,50,000	4,50,000	4,50,000
Utilized Capacity	--	--	--	3,15,000	3,60,000	4,05,000
% of Installed capacity Utilized	--	--	--	70%	80%	90%
Oil Refining (Expansion)						
Annual Installed Capacity	--	--	--	90,000	90,000	90,000
Utilized Capacity	--	--	--	13,500	72,000	76,500
% of Installed capacity Utilized	--	--	--	15%	80%	85%

Manufacturing process

Seed processing and Solvent Extraction plant:

Seeds are cleaned to remove impurities like Stones, Broken Seeds, Husks etc, cleaned seed are charged into hoppers through chain conveyor. After opening of dumpers, seeds start to pour in Kettle of the machine, and the steam will be directly passed through seeds. Centrally revolving clamped shaft will mix the seed and steam to make seed soft and will push it to screw press chamber of the machine. Cakes are cleaned to remove impurities like husk, stones particles etc, through pre cleaner and de stoner which will be further fed to the Cracker Breaker to make small pieces. This cake can be fed to the solvent extractor. In the solvent extractor cakes will be sprayed through food grade Hexane and so on will extract the oil content (7 to 9 %) out of the flakes. This mixer will be further fed to De solventiser Toaster to evaporate hexane particles and oil particles. Output of the Toaster section at bottom is De Oil Cake and will be separately collected, conveyed and packed in Gunny Bag or PP bag. Evaporated particles will be fed to Distillation and recuperation section to depart oil and hexane. This recovered hexane will be reused in the process. So produced raw grade oil will be required to go through refining to produce refined Solvent extracted mustard oil.



Refining Process of Edible Oil:

Refining of oil: Refining means to remove impurities from the oil, which are not desirable. Oil having two types of impurities (a) oil soluble as colouring matter, odiferous compound, free fatty acid, gummy

materials etc. (b) other type of impurities are oil insoluble as sand, seed fragment, dust, straw etc. We are using two methods for refining of raw oil.

- 1) Chemical process
- 2) Physical process

Vegetable oil refining consists of all necessary operations to which oil is submitted in order to obtain a final product of which the colour, taste smell, and stability make it apt for human consumption.

Most of the vegetable oils contain impurities, such as fatty acids, phosphatides, pigments, metals, etc., which have to be removed so as to obtain a product

The different steps of the process depend upon the type and quality of the oil to be treated.

Chemical Process: In chemical process impurities of oil is removed by the reaction of some chemicals. The chemical refining consists in:

- Acid conditioning Neutralization
- Separation of gums and soap in centrifuge
- Washing with water with separation of soaps with centrifuge
- Bleaching
- Deodorizing

Physical process: In Physical process impurities are removed by physical method means there is no chemical reaction takes place.

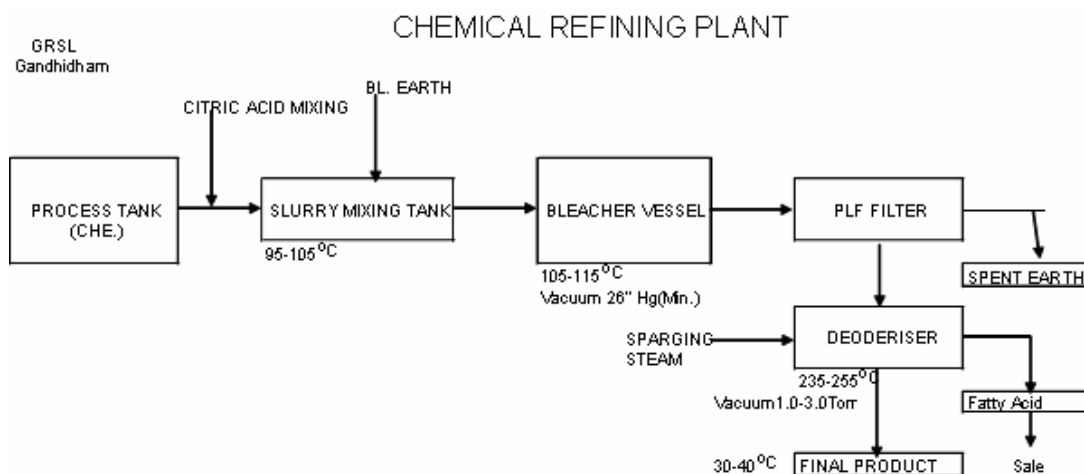
- Bleaching
- Deodorizing

Acid conditioning cum neutralizing process:-

De-gumming: De-gumming is the process of removal of phosphatides and other limy or mucilaginous material. The process consists of hydrating the gums by subsequent removal by centrifugal separation. The oil so obtained is then sent for neutralization.

Bleaching: The oil, after initial purification, is bleached by contact with activated earth and charcoal to improve the colour of the oil to acceptable levels. The process also removes any soap traces left in the oil after water washing any other metallic compounds present in the oil. The process consists of mixing the oil with adequate quantities of bleaching earth, heating it for a specified time temperature cycle followed by removal of bleaching earth from the oil by a filtration process.

Deodorizing: The bleached oil still needs deodorizing to remove impurities, which impart objectionable odours or flavors to the oil. The oil is subjected to high temperature and high vacuum conditions. The oil is cooled, mixed with antioxidants and filtered. The final product is sold in the markets as refined vegetable oil.



Manufacturing Process of Vanaspati:

In this process the phase of oil changes by adding hydrogenation at double bond of carbon chain. The main processes involved in manufacturing of Vanaspati are.

Hydrogenation process: Hydrogenation is an operation involving the direct addition of hydrogen at the double bonds of the fatty acid chain that enters in the composition of the triglycerides of the oil. It means converting liquid oils to semisolid, plastic fats suitable for shortening or margarine manufacture.

The purpose is to adjust the consistency of the oil. The hydrogenation process is performed by batch.

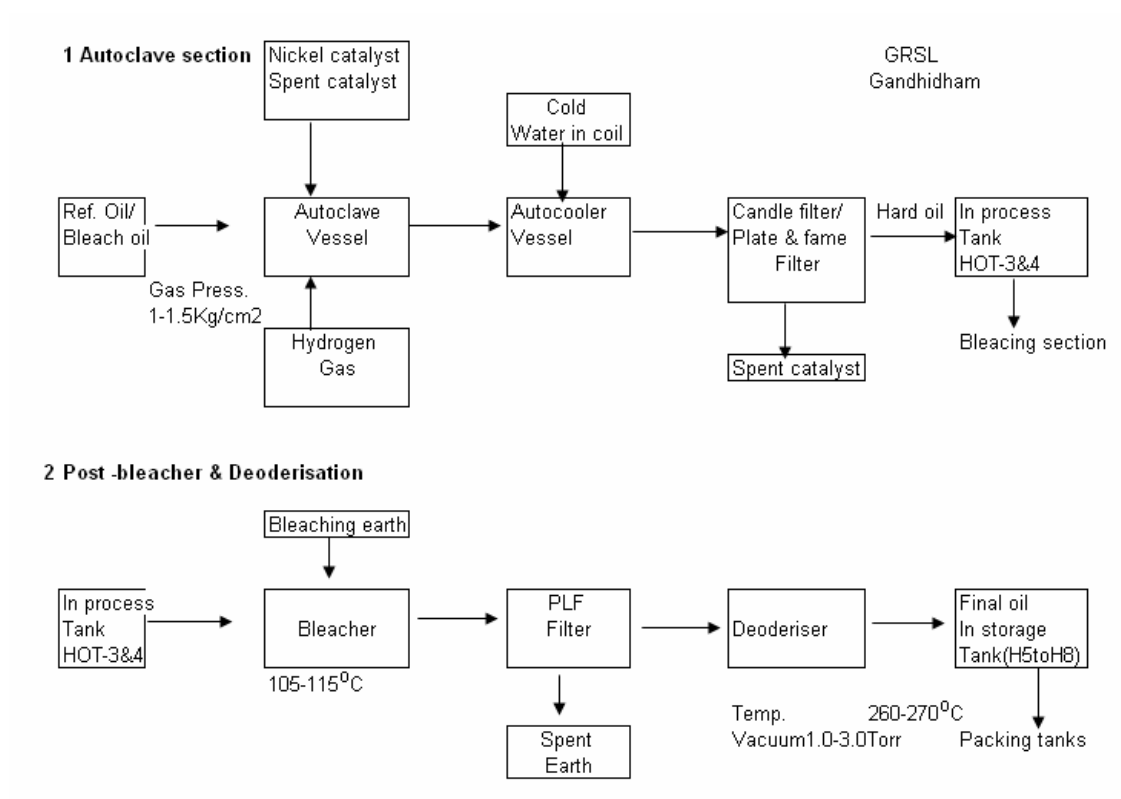
The steps are:

- Heating the incoming oil by exchange with the out coming hydrogenated oil.
- Final heating of the incoming oil by HP Steam to the required temperature.
- Hydrogenating the batch in the reactor. After the Ni-catalyst is mixed the hydrogen is introduced in the oil and dispersed by the agitator blades.
- Drain of the reactor to the drop tank.
- Cooling by means of the heat exchange with the incoming oil.
- Filtration of the oil to remove the catalyst.

Bleaching Process: Filtered oil from autoclave is feed in post bleacher, this oil is bleach with bleaching earth .The temperature of bleacher keep in between 100-110⁰C; the bleaching is done under vacuum of 26” Hg. Bleaching time remains 30 minutes. This bleach oil is filtered through PLF & send for deodorization.

Deodorization Process: Some smell is developed during hydrogenation & bleaching process, this smell is removed in deodorization process. In Deo., oil is deodorized under high vacuum of 2-5 Torr. Temperature of deo keep 225-250⁰C.The odiferous compounds basically are aldehyde, Ketones, alcohols etc. these compounds are volatile in nature, on high temperature & under vacuum these compound distilled out. After deodorization oil goes to storage tank & from storage tank to blending tank where Vitamin & til oil are mixed .Now the blend is ready for packing. After blending this Vanaspati is pack in different pack size, packed material send to cold room where this packed material is kept under low temperature. Vanaspati from cold room is send to the dispatch Godown.Vanaspati is dispatched from the Godown.

Vanaspati Processing



Proposed Soyabean unit

The Soyabeans are checked for quality and are cleaned to remove impurities like broken seeds, husks, stone particles etc..through pre-cleaner and destoner thereafter it will further fed to the crusher to make small pieces. There are several steps in the seed-crushing process: **Dehulling:** First, Soyabeans seeds are cracked and the hull is removed. **Soaking:** This will be fed to the cooker to make hot with help of 100 centigrade. Soyabeans then are flaked in special machines, flaker and moved to towers or tanks where they are soaked in a chemical solution. **Steam.** This entire is one sort of preparatory and output of the same can be feed to extractor. Soyabeans then are processed to extract the oil and meal. In extractor flakes will be sprayed through food grade Hexane and so on will extract the oil content (18 to 20%) out of the flakes. From 1 MT of Soyabean, the process produces 18% of oil and 80% of meal. This solvent removes about 99 percent of the pure, crude oil from the flakes. **Refining:** The crude oil may be refined further depending on how it is to be used. In the refining process, crude oil can be water degummed to separate the hydratable & non-hydratable **Gums.** This degummed oil is then bleached, deodorized or hydrogenated with hydrogen gas, neutralized. In "Neutralized" the fatty acid content of the oil is neutralized with a caustic acid to produce some products (like soap). The oil also may be "bleached" by treating it with an absorbent clay material before it is "deodorized" through a vacuum steam-distribution process.

Toasting and Grinding: After the oil is removed, the flakes then is cleaned, toasted and ground to improve its nutritional value. This mixer will be fed further to Desolventiser Toaster to evaporate hexane particles and oil particles. Out put of the Toaster section at bottom is De Oil Cake and will be fed to Distillation and recuperation section to depart oil and hexane. This recovered hexane will be reused in the process. The meal, so produces consists 48 percent protein.

Castor oil

Company is also in castor oil business, we have taken on hire one castor oil plant from Rajena Agro Industries for production of Castor oil BSS.

The process of Castor oil is as follows:**B.S.S. Grade Castor Oil:**

When Castor Seeds are traditionally crushed in traditional type expeller where the Castor seed after cleaning fed to cooking chamber where the seeds are heated with direct as well as indirect steam and then to screw type expeller, the commercial oil comes out, Due to high pressure and heat little dark color oil is obtained. Oil obtained is also having some gums and water. The crude oil so obtained is collected in under ground tank, and then transferred to the de-gumming / de-sliming vessel traditionally called neutralizer, where the oil is heated to 110 C so all the foos and fragments are separated and settled. The so obtained oil is called commercial Castor oil. The commercial Castor oil is then charged to Bleacher for further purification and is Purified by adding Bleaching Earth and activated carbon under vacuum and heat, one the process complete the oil is filtered with help of pressure leaf filter to remove carbon and Bleaching Earth added. The filtered oil is light in color and called B.S.S. Grade Castor Oil.

Manufacturing Process of Tin for Packaging:

Tin plate shears in shearing machine as per the size required for body cylinder and for top bottom of the can. Sheets sheared in the shearing machine taken to roll forming machine for rolling of sheets to make suitable for side seam welding Sheet rolls are welded in side welding machine and send to Starch former where it stretched and make square and send to flanging machine to flange the square body of the can.

During this top and bottom of the can are made in the power press and top of the tin send to the projection welding machine where handle is welded to it with chapdi. This top bottom and flanged body are send to the seaming machine to seam the top bottom with body after seaming soldering is carried out at top and bottom of the tin to make it leak proof. After soldering tin is ready for different type of tests such as

Pressure Test: The Tin is tested by the air pressure gauge with requisite pressure. Hydraulic Pressure Test: The Tin is tested by the hydraulic pressure with requisite pressure. Handle Pull Test: The Handle of Tin is tested by handle pull test machine by applying 40 Kgs. If the above tests are found O.K., then

these Tins are cleaned and coated with laker to prevent from whether effects.

Packaging Facility

The oils meant for retail and semi retail segments are packed in different types of packaging depending upon the target market. The Company has state of art packing facility of almost all the factory locations.

The packing facility of Company involves the following.

1. Packing of TIN and Plastic Jar.
2. Manufacturing and packing of Bottles (Automatic machines)
3. Packing of Pouch.
4. Sealing, cleaning and testing of pack.
5. Automatic loading and storing.

IX Collaborations

The Company at present does not have any technical as well as financial collaboration.

X Infrastructure facility

1. Raw Material

Since all the products pass through the same process we have shown the process wise requirement of raw materials:

Process	Raw materials
<i>Existing:</i>	
Seed processing and Solvent Extraction	Various seeds, steam, power, fuel & water
Refinery	Crude oil of various types, steam, power, fuel & water
Vanaspati	Refined Vegetable oil, steam, power, fuel & water
<i>Proposed:</i>	
Soyabean Extraction	Soyabean seeds, Soyabean crude oil, steam, power, fuel & water.

2. Utilities

a. Power

Sidhpur Unit

Particulars	Existing
Power availability	2850 KVA from GEB

Particulars	No's	Capacity per generator
Generator for alternate arrangement	3	500 KVA

Gandhidham Unit

Particulars	Existing	For Expansion project	Total after expansion
Power availability	2300 KVA	3340 KVA @	5640 KVA

@ Our Company has made an application for the expansion project.

Surat Unit

Particulars	Existing	For Expansion project	Total after expansion
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Power availability	250 KVA	800 KVA #	1050 KVA
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Our Company shall make an application for the expansion project.

b. Fuel

Sidhpur unit

Our Company currently has requirement of 15000 MT Lignite per annum which is sourced from GMDC mines.

Particulars	Existing	For expansion project	Total after expansion
Lignite requirement	15000 MT	Not Applicable	15000 MT

Gandhidham unit

Particulars	Existing	For expansion project	Total after expansion
Lignite requirement	32400 MT	60000 MT	92400 MT

Surat unit

Particulars	Existing	For expansion project	Total after expansion
Lignite requirement	3500 MT	9000 MT	12500 MT

c. Water

Sidhpur unit

The existing water requirement is 650 mq per day is met from bore wells. The site has two bore wells. The soft water requirement of the boiler and the process will be met through reverse osmosis (RO Plants). Dharoi Canal Pipeline is also an alternative source of water which is already laid up to Sidhpur.

Gandhidham unit

The existing water requirement is 550 mq per day. The site has two bore wells. The soft water requirement of the boiler and process will be met through Reverse Osmosis plant (RO Plant). For the expansion project the requirement is of 100 mq per day, which again will be met through the bore wells and RO plant. Alternatively, Narmada Canal is also an option for any short fall.

Surat Unit

The existing water requirement is 60 mq per day. The site has one bore well. The soft water requirement of the boiler and process will be met through Reverse Osmosis plant. For the expansion there will be an additional requirement of 290 mq per day. Taking the total requirement to 350 mq pr day.

3. Manpower Requirement

Our Company has employed approximately 478 employees at present at various levels. We also hire contract labourer's depending on the requirement. Currently our employee strength at Sidhpur unit is approximately 189, at Gandhidham unit is 271 and at the Surat plant approximately 18 employees.

Our Company's manpower requirement for the expansion project at Gandhidham unit is 60 people and 46 people at the Surat unit.

XI Export Possibilities and Export Obligations

There is a good demand for De-oiled Cake & Castor Oil in the foreign countries and our Company has been consistently making efforts to increase export sales. Our export obligations outstanding as on July

31, 2007 is of Rs. 4334.24 lacs.

XII Intellectual Property:

The Company has a registered trademark and keeps on adding as and when new products are launched.

TRADEMARK REGISTRATION OF GRSL

Sr. No.	Authority	Registration No.	Details	Date	Validity
1.	Registrar of Trademarks, Trademarks Registry, Mumbai	1080075	“GOKUL” Hindi	12/2/2002	12/2/2012

COPYRIGHT REGISTRATIONS OF GRSL

The copyrights are issued and registered by Deputy Registrar of Copyrights, Copyright Office, Government of India New Delhi, the details of the copyrights held by our Company are as follows:

Sr. No.	Registration No.	Details	Date	Validity
1.	A-69213/2005	“GRSL GOKUL” English and Hindi (Refined Palm Oil)	4/4/2005	NA
2.	A-69211/2005	“GRSL GOKUL” English and Hindi (Refined Groundnut Oil)	4/4/2005	NA
3.	A-70989/2005	“GOKUL” Hindi (Imported Refined Soyabean Oil)	28/4/2005	NA
4.	A-72649/2005	“GOKUL” English and Hindi (Imported Refined Soyabean Oil)	3/5/2005	NA
5.	A-70691/2005	“GOKUL” English and Hindi	28/4/2005	NA
6.	A-69208/2005	“GRSL GOKUL” English and Hindi (Refined Cottonseed Oil)	4/4/2005	NA
7.	A-69210/2005	“GRSL GOKUL” English (Vanaspati)	4/4/2005	NA
8.	A-78406/2007	“TANDURAST VANASPATI” English and Hindi	8/2/2007	NA
9.	A-78383/2007	“TANDURAST” English and Hindi	2/2/2007	NA
10.	A-78187/2007	“GRSL GOKUL GROUNDNUT LABEL” English	16/1/2007	NA
11.	A-67574/2004	“TANDURAST VANASPATI” English	8/6/2004	NA
12.	A-78188/2007	“GRSL GOKUL VANASPATI” English	16/1/2007	NA
13.	A-78189/2007	“GRSL GOKUL REFINED SUNFLOWER OIL” English	16/1/2007	NA
				NA

14.	A-78190/2007	“GRSL GOKUL VANASPATTI” English	16/1/2007	
15.	A-78191/2007	“GRSL GOKUL MUSTARD OIL” English	16/1/2007	NA
16.	A-78192/2007	“GRSL GOKUL REFINED SOYABEAN OIL” English	16/1/2007	NA
17.	A-78182/2007	“GRSL GOKUL REFINED COOKING OIL” Hindi	16/1/2007	NA
18.	A-78183/2007	“GRSL GOKUL GROUNDNUT OIL” Hindi	16/1/2007	NA
19.	A-78184/2007	“GRSL GOKUL REFINED GROUNDNUT OIL” English	16/1/2007	NA
20.	A-78185/2007	“GRSL GOKUL REFINED COTTONSEED OIL” English	16/1/2007	NA
21.	A-78186/2007	“GRSL GOKUL REFINED COOKING OIL” English	16/1/2007	NA
22.	A-78179/2007	“GRSL GOKUL MUSTARD OIL” English	16/1/2007	NA
23.	A-78180/2007	“GRSL GOKUL REFINED GROUNDNUT OIL” Hindi	16/1/2007	NA
24.	A-78181/2007	“GRSL GOKUL REFINED COTTONSEED OIL” Hindi	16/1/2007	NA
25.	A-78173/2007	“GRSL GOKUL REFINED SOYABEAN OIL” Hindi	16/1/2007	NA
26.	A-78174/2007	“GRSL GOKUL REFINED PALM OIL” Hindi	16/1/2007	NA
27.	A-78175/2007	“GRSL GOKUL MUSTARD OIL” Hindi	16/1/2007	NA
28.	A-78193/2007	“GRSL GOKUL REFINED PALM OIL” English	16/1/2007	NA
29.	A-78194/2007	“GRSL GOKUL REFINED MUSTARD OIL” English	16/1/2007	NA
30.	A-78195/2007	“GRSL GOKUL REFINED SUNFLOWER OIL” Hindi	16/1/2007	NA

XIII Insurance

The Company maintains insurance against various risks, including property damage caused by fire, flood, explosion and similar catastrophic events that may result in physical damage to or destruction of our equipment or stocks. Although we consider our insurance coverage to be of a type and level that are economically prudent, we cannot assure you that we will be able to maintain insurance at rate which we consider commercially reasonable or that such coverage will be adequate to cover any claims that may arise. The insurance policies in respect of certain of our plant and machinery, stocks and book debts have been endorsed in favour of the lending / consortium banks that have provided us finance.

Overall, we generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business.

XIV Property

There have been no transactions relating to the property within the two preceding years, in which any person who is, or was at the time of the transaction, a Promoter, or a director or proposed director of the Company had any interest direct or indirect.

Sr. No.	Details of Vendor/Owners	Address and Occupation of the Vendors	Description of the Property	Consideration Rs. (In Lakhs) including the stamp duty and registration charges	Area in sq. meters
1.	(1) Arvind Kirtilal Vora (2) Shailesh Kirtilal Vora (3) Bakul Kirtilal Vora	Age: 44 years, Occupation: Agriculture and Business, Religion: Hindu, having his address at Revenue Plot No.171, Sector No.4, Gandhidham, Kachchh Age: 40 years, Occupation: Agriculture and Business, Religion: Hindu, having his address at Revenue Plot No.153, Sector No.4, Gandhidham, Kachchh Age: 35 years, Occupation: Agriculture and Business, Religion: Hindu, having his address at Revenue Plot No.174, Sector No.4, Gandhidham, Kachchh	Non-agricultural land bearing Survey No.80, Plot No.22 to 52 and 68 to 76 together with public plot, internal roads, etc., situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	54.95	93,786.00
2.	Dinesh Nauratmal Gupta	Age: 39 years, Occupation: Agriculture and Business, Religion: Hindu, having his address at Plot No.120, Sector No.2, Gandhidham, Kachchh	Non-Agricultural land bearing Survey No.91 old Survey No.73, situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh,	105.75	41,683.00
3.	Rajhans Vegetable Oil Refinery Private Limited	A company registered under the Companies	Industrial land, factory building,	408.77	24,079.00

		Act, 1956 on 21.7.1998 having its registered office at Yash Plaza, Varacha Road, Surat	shed, plant and machinery bearing Survey No.502, Block No.253/A 1, 2 and 3, Sub-plot No.1, 2 & 3, situated at Village Navi Pardini, Taluka Kamrej, District Surat	(land – 75.00, factory building 120.00, plant and machinery 192.50, stamp duty – 15.45, registration fees – 5.82)	
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The details of immovable properties are as under:

Freehold Property owed by our Company

Sr. No.	Address of Property	Details of the Vendor	Consideration Rs. (In Lakhs)	Type of facility	Area in sq. meters
1.	Basement, Ground Floor, Front Lawn, Rear Courtyard and one servant quarter and 40% undivided ownership rights in land No.A-8/2C, situated at Government Servants Co-op. House Building Society Limited, Vasant Vihar, New Delhi	1. Mr. Baljit Singh 2. Mr. Sanjay Dalal	70.20	Residential House	40% undivided share of 219.48
2.	Land bearing Survey No.76/1, situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	Mr. Jesang Daya Marand	3.23	Non-Agricultural land	36,624.00
3.	Land bearing Survey No.78 situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	Producin Foods Private Limited	8.79	Agricultural Land	62,423.00
4.	Land bearing Survey No.79, situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	1. Rajesh Atmaram Agrawal 2. Narshibhai Atmaram Agrawal 3. Satyanarayan Atmaram Agrawal 4. Binaben widow of Sureshkumar Atmaram Agrawal 5. Aayushi Sureshkumar Atmaram Agrawal 6. Rahul Sureshkumar Atmaram Agrawal	2.48	Agricultural land	19,729.00
5.	Land bearing Survey No.80, Plot No.22 to 52 and 68 to 76 together with public plot, internal roads, etc., situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	1. Arvind Kirtilal Vora 2. Shailesh Kirtilal Vora 3. Bakul Kirtilal Vora	54.95	Non-Agricultural land	93,786.00
6.	Land bearing Old Survey No.67/1,	1. Mr. Ashok C.	28.60	Non-	76,893

	New Survey No.89 part situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	Sharma 2. Mr. Vinod C. Sharma 3. Mr. Shyam C. Sharma 4. Mr. Parmanand C. Sharma 5. Mr. Prabhat Sharma 6. Kum. Mamta Parmanand 7. Mr. Rohit Sharma 8. Mr. Mohit Shyam 9. Mr. Ajay Ashok 10. Mr. Anuj Ashok 11. Kum. Namrata Vinod 12. Mr. Arun Vinod 13. Mr. Varun Vinod		Agricultural land	out of which 30,757 is reserved for roads, public policy, etc and the net usable land is 46,136
7.	Land bearing Survey No.91 old Survey No.73, situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	Dinesh Nauratmal Gupta	105.75	Non-Agricultural land	41,683.00
8.	Plots, Survey No.107/1, Plot Nos.144 to 172, situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	Jayaben Ratilal Sorathiya	2.28	Residential Plots	2,960.66
9.	Madhuban's Green Villas, Survey No.107/1, Plot Nos.1, 2, 3 & 4, situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	Ishwarlal Bhimjibhai Sorathiya	0.88	Residential plots	1,133.84
10.	Plots, Survey No.117, Plot No.179 to 194, situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh Navratna Park, Housing colony of thirty-two (32) houses	1. Girdharisingh Bhairusingh Rathod 2. Mrs. Sajjankanwar Girdharisingh Rathod	2.53 (Plots) 62.08 (Houses)	Residential plots	1,871.04 (Plots) 1,394.80 (built-up)
11.	Industrial land, factory building, shed, plant and machinery bearing Survey No.502, Block No.253/A 1, 2 and 3, Sub-plot No.1, 2 & 3, situated at Village Navi Pardini, Taluka Kamrej, District Surat	Rajhans Vegetable Oil Refinery Private Limited	408.77 (land – 75.00, factory building 120.00, plant and machinery 192.50, stamp duty – 15.45, registration fees – 5.82)	Industrial	24,079.00
12.	Land together with building earlier known as Gujcot House and now known as Gokul House consisting of ground plus three floors under	Gujarat State Co-op. Cotton Federation Limited	181.45	Commercial	Land - 696.38 Built up

	Shrimali Housing Society Limited situate at 43, Shreemali, Opp. Shikhar Building, Navrangpura, Ahmedabad – 380 009 standing on Final Plot Nos.287, 292, 293, 297, 299, Sub-Plot No.43, T.P.S. Number 3, Municipal market ward, situated at Village Shekhpur-Khanpur, Taluka Memnagar, District Ahmedabad				area – 1,629.30
13.	Land bearing Survey No.388/1, situated at Village and Taluka Sidhpur, District Patan	1. Shantaben Patel, widow of Laxmanbhai Motiram 2. Ashokbhai Laxmanbhai Patel 3. Mahendrakumar Laxmanbhai Patel 4. Rajnikant Laxmanbhai Patel 5. Lilaben Laxmanbhai Patel 6. Kapilaben Laxmanbhai Patel	3.09	Non-agricultural land	6,659.00
14.	Land bearing Survey No.388/2, situated at Village and Taluka Sidhpur, District Patan	Amratlal Shankardas Patel	3.19	Non-agricultural land	6,897.00
15.	Land bearing Survey No.389/1, situated at Village and Taluka Sidhpur, District Patan	1. Shankarlal Ratnabhai Patel 2. Shantilal Shankarlal Patel 3. Prabhudas Shankarlal Patel 4. Kantilal Shankarlal Patel	2.68	Non-agricultural land	5,946.00
16.	Land bearing Survey No.389/2, situated at Village and Taluka Sidhpur, District Patan	1. Shantaben Patel, widow of Laxmanbhai Motiram 2. Ashokbhai Laxmanbhai Patel 3. Mahendrakumar Laxmanbhai Patel 4. Rajnikant Laxmanbhai Patel 5. Lilaben Laxmanbhai Patel 6. Kapilaben Laxmanbhai Patel 7. Mafatlal Motiram Patel 8. Dashrathlal Motiram Patel 9. Kantilal Motiram Patel	2.81	Non-agricultural land	6,065.00
17.	Land bearing Survey No.390/1, situated at Village and Taluka Sidhpur, District Patan	Manilal Vashrambhai Patel	1.82	Non-agricultural land	4,043.00

18.	Land bearing Survey No.390/2, situated at Village and Taluka Sidhpur, District Patan	Parshottambhai Jethidas Patel	1.82	Non-agricultural land	4,043.00
19.	Land bearing Survey No.391, situated at Village and Taluka Sidhpur, District Patan	1. Menaben Keshavlal Patel 2. Sureshkumar Keshavlal Patel 3. Gunvantlal Keshavlal Patel 4. Rameshbhai Keshavlal Patel 5. Harshaben Keshavlal Patel	4.73	Non-agricultural land	10,702.00
20.	Land bearing Survey No.392/2, situated at Village and Taluka Sidhpur, District Patan	Ranchodbhai Mangaldas Patel	2.20	Non-agricultural land	6,540.00
21.	Land bearing Survey No.393/3, situated at Village and Taluka Sidhpur, District Patan	Bhikhiben Balvantsingh Rajput	4.23	Non-agricultural land	13,081.00
22.	V-5 Land (For wind farm purpose only) bearing Survey No.34/2, situated at Village Motisindholi, Taluka Abdasa, District Kachchh	Sarjan Realities Limited	1.61	Non agricultural land	4,350.00
23.	V-6 Land (For wind farm purpose only) bearing Survey No.39, situated at Village Motisindholi, Taluka Abdasa, District Kachchh	Sarjan Realities Limited	1.61	Non agricultural land	8,000.00

Leasehold / Licensed property acquired by our Company

Sr. No.	Address of Property	Details of the Lessor / Licensor	Consideration Rs. (In Lakhs)	Tenure / other details	Type of facility	Area in sq. meters
1.	Land bearing Survey No.114/part, M-16, situated at Village Kadoli, Taluka Abdasa, District Kachchh	Suzlon Gujarat Wind Park Limited	0.10 every year	Twenty (20) years	Non-agricultural land	10,000.00
2.	Land bearing Survey No.113/part, M-17, situated at Village Kadoli, Taluka Abdasa, District Kachchh	Suzlon Gujarat Wind Park Limited	0.09 every year	Twenty (20) years	Non-agricultural land	9,400.00
3.	Covered Godowns, Ground Floor, Unit No.1, Jawaharnagar, Beltala, Guwahati	Assam Tea Warehousing Corporation	7.80 every year	No period. Agreement executed on 13.5.2005 Security Deposit - Rs.1,95,000	Godown	1,208.18

4.	Unit No.321, Gokul Arcade, Opp. HSBC Bank, Swamy Nityanand Road, Off. Andheri Sahar Road, Vile Parle (East), Mumbai 400 057	M/s. Shantilal G. Shah & Co. through its authorized signatory Pankaj S. Shah	4.22 every year	Two (2) years from 15.11.2006 Security Deposit - Rs.3,00,000	Office on leave and license basis	42.75
5.	Holding No.F-189, Ward No.28, Salpata Bagan, South Station Road, P.S. Agarpara, West Bengal	ALW Estate Pvt. Ltd.	6.63 every year	Two (2) years from 21.10.2006 Security Deposit - Rs.3,31,500	Godown on leave and license basis	789.96
6.	A.P.M.C. Godown, Samarwada, Dhanera, District Banaskantha, Gujarat	Aryan Corporation	3.00 every year	One (1) year from 15.12.2006 Security Deposit - Rs.75,000	Godown	836.43
7.	A.P.M.C. Godown No.6, Samarwada, Dhanera, District Banaskantha, Gujarat	Aryan Corporation	2.64 every year	One (1) year from 1.12.2006 Security Deposit - Rs.66,000		929.37
8.	Jawaibandh Road, Near Railway Station, Sumerpur, District Pali, Rajasthan	Indira Agarwal	1.54 for eleven (11) months	Eleven (11) months from 1.2.2007 Security Deposit - Rs.42,000	Godown	650.56
9.	Godown No.4/832, 177, Post Unava, Taluka Unjha, District Mehsana, Gujarat	Dilipkumar Patel	2.75 for eleven (11) months	Eleven (11) months from 1.2.2007	Godown	1,338.29
10.	Godown Nos.2, 3 & 4, Jagana Highway, Jagana, Taluka Palanpur, District Banaskantha, Gujarat	Palanpur Taluka Sahakari Kharid Vechan Sangh Limited	3.30 for eleven (11) months	Eleven (11) months from 1.1.2007	Godown	1,115.24
11.	Godown No.1 (131 &132), Unjha Unava Highway, Opp. Gujakomasol, Unava, Taluka Unjha, District Mehsana, Gujarat	Balaji Estate through Kantaben Kantilal Patel	0.47 for eleven (11) months	Eleven (11) months from 21.4.2007	Godown	125.46
12.	Godown No.1 (133 &134), Godown No.2 (135&136), Unjha Unava Highway, Opp. Gujakomasol, Unava, Taluka Unjha, District Mehsana, Gujarat	Balaji Estate through Kantilal Somabhai Patel	1.64 for eleven (11) months	Eleven (11) months from 21.4.2007	Godown	439.13

13.	Balaji Estate, Godown No.1 (139, 140), Godown No.2 (141, 142), Unjha Unava Highway Road, Opp. Gujakomasol, Unava, Taluka Unjha, District Mehsana, Gujarat	Balaji Estate through Kuntalben Hitenkumar Patel	0.94 for eleven (11) months	Eleven (11) months from 21.4.2007	Godown	250.93
14.	The Dhanera Khetivadi Utpan Bazar Samiti, Godown Nos.1, 2, 3, 4 & 5, Samarvada Godown, Dhanera, District Banaskantha, Gujarat	Dhanera Agricultural Produce Market Committee	5.96 for eleven (11) months	Eleven (11) months from 1.2.2007	Godown	5,736.43
15.	Shivganj, District Sirohi, Rajasthan	Narsinghji	0.19 for eleven (11) months	Eleven (11) months from 1.6.2007 Security Deposit: Rs.1,700	Shop on rental basis	23.23

Leasehold / Licensed property let out by our Company to others

Sr. No.	Address of Property	Details of the Lessor / Licensor	Consideration Rs. (In Lakhs)	Tenure / other details	Type of facility	Area in sq. meters
1.	Land bearing Survey No.80, situated at Village Meghpar Borichi, Taluka Anjar, District Kachchh	Bharatiya Processing Co-op. Federation Limited	0.75 every year	Twenty-one (21) years from 1.10.2005	Non-agricultural land given on leasehold basis	7,945.00
2.	Ground floor premises, Gokul House, 43, Shrimali Society, Opp. Shikhar Building, Navrangpura, Ahmedabad - 380 009	Bharatiya Processing Co-op. Federation Limited	0.22 for eleven (11) months	Eleven (11) months from 1.3.2007	Commercial premises given on leave and license basis	232.83
3.	Third floor premises, Gokul House, 43, Shrimali Society, Opp. Shikhar Building, Navrangpura, Ahmedabad - 380 009	Gujarat Gokul Power Limited	2.25 for eleven (11) months	Eleven (11) months from 1.4.2007	Commercial premises given on leave and license basis	250.00

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

Set forth below are certain significant legislations and regulations which generally govern this industry in India:

General

The company is engaged in the business of manufacturing and refining edible oil. For the purpose of the business undertaken by the Company, we may be required to obtain licenses and approvals depending upon prevailing laws and regulations. For details of such approvals, please see “Government Approvals” on page 225 of this Draft Red Herring Prospectus.

Foreign Ownership

Under the Industrial Policy and FEMA, 100% FDI is permitted in our industry.

Industrial Laws

The Factories Act, 1948 is a social legislation which has been enacted for occupational safety, health and welfare of workers at work places. It applies to a factory i.e., a place in which ten or more workers are employed on any day of the preceding twelve months and are engaged in manufacturing process being carried out with the aid of power or twenty or more workers are employed in manufacturing process being carried out without the aid of power.

The Shops and Establishment Act governs the Company in the states where it has offices/godowns. It regulates the conditions of work and employment in shops and commercial establishments and generally, prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, health and safety measures, wages for overtime work. For details, please refer to the section “Government Approvals” on page 225 of this Draft Red Herring Prospectus.

Contract Labour (Regulation and Abolition) Act, 1970 applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract labour and to every contractor who employs or who employed on any day of the preceding 12 months 20 or more workmen. It does not apply to establishments where the work performed is of intermittent or casual nature. It aims to prevent any exploitation of the persons engaged as contract labour, who are generally neither borne on pay roll or muster roll nor is paid wages directly. It provides for registration requirements of the principal employer, who has the responsibility for inadequate wage payments by the contractor to the labour.

The Industries (Development and Regulation) Act, 1951 covers industries dealing in edible oil products, and mandates that such industries must, prior to being set up, acquire a license from the Central Government in this behalf.

The Prevention of Food Adulteration Act, 1954 is the basic statute intended to protect the common consumer against supply of adulterated food and specifies different standards on various articles of food. The standards are of minimum quality level intended for ensuring safety in the consumption of these food items and for safeguarding against harmful impurities, adulteration etc. Provisions of the Act are mandatory and contravention of the Rules can lead to both fine and imprisonment.

The standards of quality of various food articles have been specified in Appendix B to the Prevention of Food Adulteration Rules, 1955. Manufacture, sale, stocking, distribution or exhibition for sale of any article of food, including prepared food or ready to serve food, cannot be done by any person except under a licence.

Edible Oils Packing (Regulation) Order, 1998

In the context of the incidence of adulteration of oil with argemone oil and consequent dropsy cases and dropsy deaths, this Order derives its powers from the Essential Commodities Act. The basic objective of the Order is to ensure availability of safe and quality edible oils in packed form to the consumers.

Vegetable Oil Products (Control) Order, 1947 puts the responsibility for implementation of the standards of quality of the vegetable oil product particularly at the manufacturing stage with the Directorate of Vanaspati, Vegetable Oils and Fats.

Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 controls the production and distribution of solvent extracted oils, deoiled meal, edible flours and hydrogenated vegetable oils (Vanaspati). This order is operated by the Directorate of Vanaspati, Vegetable Oils and Fats under the Department of Civil Supplies in the Ministry of Food and Civil Supplies.

Solvent Reffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000 puts restriction on sale and use of solvents, reffinates, slops and other products. This order lays down detailed provisions and procedure for obtaining license, for acquire, store or sell solvent, raffinate, slops or their equivalent and other products issued by the State Govt. or the District Magistrate or any other officer authorized by the Central/State Govt. According to this order no person shall either use or help in any manner the user of solvents, raffinated, slops or their equivalent or other products except Motor Spirit and High Speed Diesel in any automobile.

The Gujarat Essential Articles (Licenses, Control and Stock, Declarations) Order, 1981 aims to regulate and control the adequate supply of essential products at fair prices and prevent market malpractices concerning such items.

The Explosives Act, 1884 regulates the manufacture, possession, use, sale, transport and importation of the explosives.

As per Section 4 (h) "manufacture" in relation to an explosive includes the process of:

- (1) Dividing the explosive into its component parts or otherwise breaking up or unmaking the explosive, or making fit for use any damaged explosive; and
- (2) Re-making, altering or repairing the explosive.

The Central Government may, for any part of India make rules consistent with this Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Moreover, the Central Government may also from time to time, by notification, prohibit, either absolutely or subject to conditions, the manufacture, possession or importation of any explosive which is of so dangerous a character that, in the opinion of the Central Government, is expedient for the public safety to issue the notification.

The Bombay Prohibition Act, 1949 prohibits the production, manufacture, possession, exportation, importation, transportation, purchase, sale, consumption and use of all intoxicants. However, these operations are lawful if they are permitted by rules, regulations and orders. The Act also regulates the possession, sale etc., of mhowra flowers and molasses.

The Indian Boilers Act, 1923 contains law relating to steam boilers. The Act applies to all boilers used for generating steam under pressure, exceeding 22.75 ltrs. Capacity and to the steam-pipe, feed-pipe, economizer and any mounting or other fitting attached to the boiler. The owner is required to get registered for using a boiler under the provisions of the Indian Boilers Regulations, 1950.

The Petroleum Act, 1934 provides for provisions relating to the import, transport, storage, production, refining and blending of petroleum.

The Agricultural Produce (Grading & Marking) Act, 1937 provide for the grading and marking of agricultural and other produce.

The Standards of Weights and Measures Act, 1976 was enacted to establish standards of weights and measures, to regulate inter-state trade or commerce in weights, measures and other goods which

are sold or distributed by weight, measure or numbers, and to provide for matters connected therewith or incidental thereto.

The Payment of Wages Act, 1936 regulates payment of wages to certain classes of employed persons. It makes every employer responsible for the payment of wages to person employed by him. No deductions can be made from the wages nor can any fine be levied on wages earned by a person employed except as provided under this Act.

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

The Workmen's Compensation Act, 1923 has been enacted with the objective to provide for the payment by certain classes of employers to their workmen or their survivors, compensation for industrial accidents and occupational diseases resulting in death or disablement. In case the employer fails to pay compensation due under the Act within one month from the date it falls due the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Payment of Gratuity Act, 1972 was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

- a) On his/her Superannuation; or
- b) On his/her retirement or resignation; or
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

The Payment of Bonus Act, 1965 was enacted with the objective of providing of payment of bonus to employees on the basis of profit or on the basis of productivity. This Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100, whichever is higher.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

The Industrial Disputes Act, 1947 makes provisions for investigation and settlement of industrial disputes and for providing certain safeguards to the workers.

Pollution Laws

The Environmental Protection Act, 1986 is an “umbrella” legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the inter-relationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

The Water (Prevention and Control of Pollution) Act, 1981 prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board.

The Air (Prevention and Control of Pollution) Act, 1981 provides for the prevention, control and

abatement of air pollution. No person operating any industrial plant, in any air pollution control area shall discharge or cause emission of any air pollutant in excess of the standards prescribed by the State Board in this regard.

The Hazardous Wastes (Management and Handling) Rules, 1989 provides for control and regulation of hazardous wastes as defined under the Rules discharged by the operations of undertakings.

Prior consent of the Pollution Control Board must be obtained for any new outlet or unit, likely to discharge sewage or effluent.

HISTORY AND CORPORATE STRUCTURE

Our Company was incorporated on December 29, 1992 as Gokul Refoils and Solvent Private Limited vide Registration No. 04-18745 under the Companies Act, 1956. Subsequently it was converted into a public limited company vide special resolution passed at the Extra Ordinary General Meeting of the Company held on May 2, 1994, pursuant to which, we received a fresh certificate of incorporation dated July 1, 1994 by the Registrar of Companies, Gujarat, Ahmedabad.

In the year 1982, our Promoters made a modest start by setting up a small solvent extraction unit and trading in edible oils. In line with our long term vision our promoters incorporated our Company in 1992 and setup an oil refinery at Sidhpur, in Gujarat. In 2003 our Company setup another refinery of 800 TPD and Vanaspati plant of 100 TPD at Gandhidham. In 2006 we setup four environment friendly wind mills of 1.25 MW each in Kutch and co-generation power plant of 500 KWH at the Gandhidham unit. In 2007 we purchased a 100 TPD operational refinery in Surat. Towards expanding the scale of operations and having global presence we setup offices in Mauritius and Singapore. Today the group's interest includes manufacturing and refining of edible oil, castor oil and its derivatives, vanaspati, solvent extraction, power generation, commodity trading in the domestic and international markets.

We have a well established network spread across 19 States catered by our 18 Clearing & Forwarding agents (C&F agents) and their 802 distributors, 3 depots, 15 brokers and their 295 resellers, distributing our products through a total 1133 bulk points of presence. These agents then distribute our products to the numerous retailers spread across the length and breadth of India. Also to make our presence more visible overseas markets, we intend to invest more in our foreign subsidiaries.

Our Company's vision is to become a major diversified, transnational, reputed, integrated Edible Oil company with national leadership and a strong environment conscience.

MAJOR EVENTS

Year	Major Events
1992	Incorporated as a private limited company on December 29, 1992 Setup a small processing plant at Sidhpur
1994	Converted into a public limited company w.e.f. from May 2, 1994
1999	Increased inproduction capacity be setting up 200 TPD seed processing and solvent plant and 200 TPD refinery.
2000	Achieved a turnover of ~ Rs. 100 Crores
2002	Obtained ISO 9001:2000 certification for Sidhpur plant
2003	We setup a wholly owned subsidiary in Mauritius Setup a refinery of 800 MT and Vanaspati plant of 100 MT at Gandhidham
2004	Achieved a turnover of ~ Rs. 500 Crores Inauguration of our Corporate House at Ahmedabad
2005	Achieved a turnover of ~ Rs. 1000 Crores Mr. Kanubhai Thakkar, Managing Director, receives 'Oil Man of the year' award by 'Globoil India' Our Company received an award from the Malaysian Palm Oil Promotion Council. Initiated an aggressive brand building exercise, film actress Sridevi endorsed our products, as our Brand Ambassador
2006	Setup four wind mills of 1.25 MW each and co-generation power plant of 500 KWH in Kutch to strengthen our in-house capabilities and enhance operational efficiency. Increased focus on export business Obtained ISO 9001:2000 certification for our Gandhidham plant Modernization and expansion plan of our Sidhpur plant by increasing production capacity
2007	Achieved a turnover of ~ Rs. 1500 Crores Purchased an operational 100 TPD refinery in Surat We setup a wholly owned subsidiary in Singapore Expansion of Surat plant from 100 TPD to 400 TPD Initiated the setup of our 1500 TPD Soyabean processing plant near Gandhidham Entered into a MoU with GMDC for a 110/125 MW Captive Power Plant

MAIN OBJECTS OF THE COMPANY AS PER MEMORANDUM OF ASSOCIATION OF THE COMPANY

To carry on the business of manufactures, cultivators, millers, grinders, processors of all oils, and solvents, seeds and Soyabean butts and to extract and refine all bye-products, derivatives like edible oil, medical oil from such products and allied products and to deal in, buy, sell, market, distribute, trade, import, export in all the aforesaid products.

CHANGES IN MEMORANDUM & ARTICLES OF ASSOCIATION OF THE COMPANY

Date of alteration	Nature of alteration
November 8, 1993	Increase in authorized capital from Rs. 15 Lacs to Rs. 20 Lacs
May 2, 1994	Change in Name Clause and conversion to public limited Company
January 16, 1995	Increase in authorized capital from Rs. 20 Lacs to Rs. 65 Lacs
November 10, 1997	Increase in authorized capital from Rs. 65 Lacs to Rs. 300 Lacs
February 5, 1999	Increase in authorized capital from Rs. 300 Lacs to Rs. 500 Lacs
July 8, 2000	Increase in authorized capital from Rs. 500 Lacs to Rs. 1000 Lacs
September 30, 2002	Increase in authorized capital from Rs. 1000 Lacs to Rs. 1200 Lacs
July 15, 2003	Increase in authorized capital from Rs. 1200 Lacs to Rs. 1500 Lacs
March 17, 2007	Increase in authorized capital from Rs. 1500 Lacs to Rs. 2000 Lacs
September 6, 2007	Increase in authorized capital from Rs. 2000 Lacs to Rs. 3500 Lacs

CHANGES IN REGISTERED OFFICE OF THE COMPANY

The table below shows the changes in the Registered Office of the Company since Incorporation

Previous Address	New Address	Reason of change	Date of Change
----	State Highway No. 41, Near Sujanpur Patia, Sidhpur, Gujarat – 384 151	NA	Since incorporation

SUBSIDIARIES OF OUR COMPANY

The following are the two wholly owned subsidiaries of our Company:

Name of the company	Country of business	Shareholding	Nature of activities
Maurigo International Limited (MIL)	Mauritius	1,00,000 shares of 1 USD each fully paid up. The Company was incorporated on 20 th October, 2003.	The principal activity of MIL is to engage in commodity trade in Chicago Board of Trade (CBOT) and MDEX, KL, Malayasia,
Maurigo Pte Limited	Singapore	Our company has acquired by purchase one ordinary share (consisting of 100% share capital) in Singapore based company Maurigo International Limited.	Trading in Edible oils, Castors oil, De-oiled cakes and other commodities.

BRIEF FINANCIAL DETAILS OF THE SUBSIDIARIES

Maurigo International Limited, Mauritius

The Company was incorporated in the Republic of Mauritius on 20 October 2003 as a private company limited by shares. The Company has obtained a Global Business Licence Category 2 under the Financial Services Development Act 2001.

The principal activity of the Company is to engage in commodity trade in Chicago Board of Trade

(CBOT) and MDEX, KL, Malaysia.

Shareholding Pattern:- A wholly owned subsidiary of Gokul Refoils & Solvent Ltd.

Financial Performance:

The Financial Highlights for the last three years are as follows

(Converted in to Indian Rupees)

(Rs in Lakhs)

For the Year ended March, 31	31-07-2007	31-03-2007	31-03-2006	31-03-2005
Total Income	117.84	(16)	143	241.15
Profit After Tax	(12.35)	(118)	141	235.00
Equity Share Capital	43.69	43.69	43.69	43.69

Maurigo Pte Limited, Singapore

The Company was incorporated 1st September 2006 incorporated in Republic of Singapore.

Shareholding Pattern:- A wholly owned subsidiary of Gokul Refoils & Solvent Ltd.

Financial Performance:

The Financial Highlights for the last three years are as follows

(Converted in to Indian Rupees)

(Rs in Lakhs)

For the Year ended March, 31	31-07-2007	2007
Total Income	4,661.97	-
Profit After Tax	394.46	(3)
Equity Share Capital	42.91	-

SHAREHOLDERS AGREEMENTS

There is no Shareholders' Agreement existing as on date.

OTHER AGREEMENTS

As on the date of filing this Draft Red Herring Prospectus with SEBI, we are not a party to any material contract:

- (i) not being a contract entered into in the ordinary course of our business carried on or intended to be carried on by us; or
- (ii) which was entered into more than two years before the date of filing of this Draft Red Herring Prospectus with SEBI

except as mentioned below:

A. MoU with Gujarat Mineral Development Corporation Limited (GMDC) to set up a Captive Power Plant:

Our Company has entered into an MoU with GMDC dated February 13, 2007 to set up a 110/125 MW Lignite based Captive Power Plant at Tadkeshwar under a joint venture company known as 'Gujarat Gokul Power Limited'.

This MoU was approved by the board of directors of GMDC in their meeting dated April 30, 2007 and by the Board of our Company in their meeting dated March 17, 2007.

The principal terms of the MoU, inter alia are:

1. If for any reasons, the parties are not able to execute the Lignite Supply Agreement ("LSA") and the Shareholders Agreement within 270 days of signing of the MoU, the MoU shall stand cancelled unless its validity is extended by all the parties. In such an event, no party shall have any claim against any other party. GMDC has vide its letter dated November 1, 2007 extended the validity of the MOU till January 31, 2008.
2. Our Company shall acquire the land, prepare report, commission the project, obtain approvals

- and licenses and arrange for funds.
3. GMDC shall supply lignite from its Tadkeshwar mines on ex-mine basis for 25 years or till lignite is available for extraction, at market rates prevailing as decided in Lignite Supply Agreement to be executed later.
 4. The LSA shall be irrevocable for a period of 25 years
 5. Shareholding pattern is:

GMDC and its sponsored JVs / affiliates / associates / nominees	26%
Our Company and its associates / nominees	74%
 6. From the Captive Power Plant, GMDC will have the right to off take upto 70 MW power, while our Company shall off take upto 20 MW power and balance, if any, would be made available to other captive users or sold to GUVNL. The supply will be at a rate not exceeding the notional rate at which power would be normally purchased by GUVNL under the 2 Tier Tariff Syatem relating to fixed and variable charges under the norms governing them at the relevant time or as per the recent norms approved by the regulatory agency with respect to debt equity ratio, return on equity, auxiliary consumption and operation and maintenance cost, among others.
 7. Gujarat Gokul Power Limited shall be managed by its Board of Directors. GMDC shall appoint nominee directors in the ratio of its equity held by them.
 8. In case existing shareholders decline the offer, shares can be sold to 3rd parties at the same or better terms and conditions than those offered to existing shareholders.
 9. The MoU shall be valid until terminated by mutual consent or on execution of detailed Lignite Supply Agreement and Shareholders' Agreement.
 10. This MoU shall stand terminated either of the cases whichever is earlier:
 - The parties mutually agree in writing to terminate the MoU
 - The project does not achieve financial closure within 12 months

FINANCIAL / STRATEGIC PARTNERS

There is no financial or strategic partner of the company.

OUR MANAGEMENT

The company is managed by the Board of directors under the Chairmanship and managing directorship of Mr. Balvantsinh Rajput, the day-to-day operations of the Company are looked after by the Mr. Kanubhai Thakkar, managing director of the company. The company has six directors including Chairman, two Managing Directors and three independent directors.

Name, Age, Designation, Address, occupation	Date of appointment	Directors' Identification No. (DIN)	Term	Other Directorship	Compensation (2006-07) (Rs. in Lakhs)
Mr. Balvantsinh Rajput, 45 Years, Chairman Cum Managing Director, 12, Ambica Nagar Society, Opp. GEB, Sidhpur, Gujarat- 384151. Occupation: Businessman	December 29, 1992	00315565	5 Years ending on August 31, 2012	1. Gokul Textiles Pvt. Ltd. 2. Gujarat Gokul Power Ltd.	25,00,000/-
Mr. Kanubhai Thakkar, 45 Years, Managing Director, 29, Ambica Nagar Society, Opp. GEB, Sidhpur, Gujarat- 384151. Occupation: Businessman	December 29, 1992	00315616	5 Years ending on August 31, 2012	1. Gokul Textiles Pvt. Ltd. 2. Gujarat Gokul Power Ltd.	25,00,000/-
Mr. Dineshkumar Sharma 42 Years, Whole Time Director, 2, Ambica Nagar Society, Opp. GEB Sidhpur Occupation: Businessman	March 5, 1999	00315648	5 Years ending on February 28, 2009, also, he is liable to retire by rotation	NIL	1,88,160/-
Dr. Dipuba Devada, 47 Years, Independent Director, 35/3, Adyapak Nivas, Gujarat Vidyapith, Ashram Road, Ahmedabad-380014. Occupation: Service Qualification: M.Sc., M.Ed., Ph.D	September 6, 2007	01849583	Liable to retire by rotation	NIL	Appointed on September 6, 2007
Dr. Rashid Ali Khan 62 Years, Independent Director, B-20, CEL Apartment, Vashundhara Enclave, New Delhi- 110096. Occupation: Service Qualification: M.Sc., M.Phil., Ph.D	September 6, 2007	01805763	Liable to retire by rotation	NIL	Appointed on September 6, 2007
Mr. Piyushchandra Vyas 65 Years, Independent Director, "HARI OM", 29/B,	September 6, 2007	01260934	Liable to retire by rotation	ASE Capital Market Limited	Appointed on September 6, 2007

Vasuki Society, Vasna, Ahmedabad- 380007 Occupation: Service Qualification: B.Com(H), L.L.B.					
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BRIEF PROFILE OF PROMOTER DIRECTORS

Mr. Balvantsinh Rajput, Chairman & Managing Director

Mr. Balvantsinh Rajput, aged 45 years, a resident Indian national, is a Promoter of our Company.

Mr. Balvantsinh Rajput, started as a commodity trader and has come a long way in establishing the fortunes of the group in the past 25 years. He has experience of more than 2 decades, both in edible oil and non edible oil businesses.

He started his career in the year 1982 by setting up an oil mill of 50 TTD capacity. Later in the year 1992 he laid the foundation of our Company. He is associated with various Trade Associations and is an active politician. At present he is a sitting M.L.A. of Gujarat legislative assembly representing Sidhpur constituency.

He is a co-chairman of SEA Imported Vegetable Oil Processing committee. He is actively involved in the day to day functions of the company. He looks after administration, production facilities and liaisoning with government agencies

Mr. Kanubhai Thakkar, Managing Director

Mr. Kanubhai Thakkar, aged 45 years, a resident Indian national, is a Promoter of our Company.

Mr. Kanubhai Thakkar, along with Mr. Balvantsinh Rajput has been instrumental in the formation of the group. He started as a commodity trader and has over 2 decades of experience in edible oils. He is the recipient of the "Oil Man of the Year" award in the year 2005 from 'Globoil India'.

He is actively involved in the business development activities and major expansion initiatives undertaken by the group. He plays a vital role in the hedging activities undertaken by the group. He was instrumental in setting up two subsidiaries in Mauritius and Singapore to establish a presence in global market. Under his able leadership our Company is expanding its Surat plant and setting up the new Soyabean plant.

Presently he is the Chairman of Western Zone Solvent Extractors' Association of India and an office bearer of various committees like; SEA International Oil and Oilmeal Trade Council, SEA Importers Vegetable Oil Processors Council, SEA Castorseed and Oil Promotion Council.

PROFILE OF OTHER DIRECTORS OF THE COMPANY IS GIVEN BELOW

Name of the Director	Designation	Profile
Mr. Dineshkumar Sharma	Whole Time Director	Mr. Dineshkumar Sharma, 42 years is a Whole-time director of our Company. He has been associated with our Company since its inception. He has experience of over fifteen years in the Edible Oil Industry.
Dr. Rashid Ali Khan	Independent Director	Dr. Rashid Ali Khan, 62 years, is an independent director of Our Company. He holds a Masters of Science, a Masters of Philosophy and a Ph.D. in Chemistry. He retired from Government service as the Chief Director-cum-Edible Oils Commissioner, Ministry of Consumer Affairs, Food and Public Distribution.
Dr. Dipuba Devada	Independent Director	Dr. Dipuba Devada, 47 Years, is an independent director of Our Company. She holds a Masters of

		Science, a Masters of Education and a Ph.D. She is presently the Principal of Dada Dukhayal College of Education. She is a life member of the All India Association of Educational Research, Gujarat Ganit Mandal & Gujarat Statistical Association. She has presented various papers in international conferences held in Thailand, Malaysia, Singapore and Nepal. She has taken part in many national and state seminars. She has also written various books on Mathematics and Statistics.
Mr. Piyushchandra Vyas	Independent Director	Mr. Piyushchandra Vyas, 65 Years, is an independent director of Our Company. He holds a Bachelors degree in Commerce and L.L.B. He has worked with SBI for 6 years as a grade I officer. He has worked with the Gujarat Industrial Investment Corporations Ltd as Financial Controller for 17 years. He has also worked as Executive Director (Finance) with Gujarat State Police Housing & Corporation Limited for 5 years. He has held the post of GM with the Mafatlal Finance Company also. He has also been associated with the Gujarat Chamber of Commerce as Dy. Secretary General and Indo American Chamber of Commerce as Secretary.

DETAILS OF BORROWING POWERS

Pursuant to the provisions of Section 293 (1) (d) and other applicable provisions of the Companies Act, 1956, the consent of the company has been accorded to the board of directors to borrow monies to the extend not exceeding 2500 crores at any point of time.

The resolution has been passed by the members of the company in the 14th Annual general meeting of the company held on 1st August, 2007.

COMPENSATION OF MANAGING AND WHOLE TIME DIRECTORS

Mr. Balvantsinh Rajput- Managing Director

1. REMUNERATION:

a) Salary of Rs. 60,00,000/- (Rupee Sixty Lacs Only) per annum.

However, the total remuneration payable to Mr. Balvantsinh Rajput, the Managing Director **shall not exceed Rs. 60,00,000/- per annum inclusive of salary and perquisites** excluding 1% commission as decided by the Board time to time.

b) COMMISSION: to be determined by the Board from time to time in addition to the salary and perquisites, based on the net profits of the Company in any particular year subject to the overall ceiling laid down in Sections 198 and 309 so as not to exceed 1% of the profit including salary and perquisites.

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

CATEGORY 'A'

I) MEDICAL REIMBURSEMENT:

Expenses incurred for self and his family subject to over and above mediclaim received ceiling of one

month's salary in a year or three months' Salary over a period of three years. He shall also be entitled to the benefit of Medical Treatment referred to in Proviso to Section 17(2) of the Income Tax Act, 1961 or to such modifications as may be made therein from time to time.

II) LEAVE TRAVEL CONCESSION:

For self and family once in a year incurred in accordance with any rules specified by the Company.

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. 40,000/- per annum.

V) MEDICLAIM INSURANCE:

Premium not to exceed Rs. 15,000/- 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.

VII) GRATUITY:

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

VIII) LEAVE ENCASHMENT:

The Managing Director shall 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 Managing 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.

Mr. Kanubhai Thakkar – Managing Director

a) Salary of Rs. 60,00,000/- (Rupee Sixty Lacs Only) per annum.

However, the total remuneration payable to Mr. Kanubhai Thakkar, the Managing Director **shall not exceed Rs. 60,00,000/- per annum inclusive of salary and perquisites. Excluding 1% commission** as decided by the Board time to time.

b) COMMISSION: to be determined by the Board from time to time in addition to the salary and perquisites, based on the net profits of the Company in any particular year subject to the overall ceiling laid down in Sections 198 and 309 so as not to exceed 1% of the profit including salary and

perquisites.

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

CATEGORY 'A'

I) MEDICAL REIMBURSEMENT:

Expenses incurred for self and his family subject to over and above med claim received ceiling of one month's salary in a year or three months' Salary over a period of three years. He shall also be entitled to the benefit of Medical Treatment referred to in Proviso to Section 17(2) of the Income Tax Act, 1961 or to such modifications as may be made therein from time to time.

II) LEAVE TRAVEL CONCESSION:

For self and family once in a year incurred in accordance with any rules specified by the Company.

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. 40,000/- per annum.

V) MEDICLAIM INSURANCE:

Premium not to exceed Rs. 15,000/- 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.

VII) GRATUITY:

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

VIII) LEAVE ENCASHMENT:

The Managing Director shall 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 Managing 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.

SHAREHOLDING OF DIRECTORS

Directors Shareholding as on date of filing of DRHP is as follows:

Sr. No	Name of Director	No. of Shares held	% of Shareholding
1	Mr. Balvantsinh Rajput	37,48,500	20.36
2	Mr. Kanubhai Thakkar	36,72,000	19.94
3	Mr. Dineshkumar Sharma	7,500	0.04
	Total	74,28,000	40.34

CORPORATE GOVERNANCE

The Company stands committed to good Corporate Governance – transparency, disclosure and independent supervision to increase the value of the Company stakeholders. The Guidelines issued by SEBI in respect of the Corporate Governance will be applicable to the Company immediately upon applying for the in-principle approval for listing of the Equity Shares on the stock exchange. Accordingly, the Company has undertaken steps to comply with the SEBI guidelines on Corporate Governance. The Corporate Governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management and the constitution of the Board Committees, majority of them comprising of independent directors. Committees of the Board have been constituted in order to look into the matters in respect of compensation, shareholders/Investor Grievances, Audit, etc, details of which are as follows:

The Company has undertaken steps to comply with SEBI guidelines on Corporate Governance to the extent set forth below.

COMPOSITION OF BOARD OF DIRECTORS:

The Board of Directors of the Company comprises of Executive Directors and Non Executive Independent Directors as under.

Name	Designation	Status
Mr. Balvantsinh Rajput	CMD	Executive and Non Independent
Mr. Kanubhai Thakkar	Managing Director	Executive and Non Independent
Mr. Dineshkumar Sharma	Whole time Director	Executive and Non Independent
Dr. Dipuba Devada	Director	Non Executive and Independent
Dr. Rashid Ali Khan	Director	Non Executive and Independent
Mr. Piyushchandra Vyas	Director	Non Executive and Independent

COMMITTEES OF THE BOARD

Re-constitution of Audit Committee:-

The scope and function of the Audit Committee are as per section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Its main function is to provide the Board of Directors of the Company with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and controls systems. It acts as a link between the Management, and the statutory auditors.

This Committee consists of the following:

Name of Director	Designation in the Committee	Designation in the Company
Mr. Piyushchandra Vyas	Chairman	Independent Director
Dr. Dipuba Devda	Member	Independent Director
Mr. Dineshkumar Sharma	Member	Whole-time Director

The Company Secretary of the Company Mr. Manish Kella shall be the secretary to the committee in terms of the listing agreement.

The terms of reference of the audit committee are as follows:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Appointment, removal and terms of remuneration of internal auditors
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to the financial statements;
 - (vi) Disclosure of any related party transactions;
 - (vii) Qualifications in the draft audit report.
6. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussions with internal auditors on any significant findings and follow up thereon.
10. Reviewing internal audit reports and adequacy of the internal control systems.
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
12. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
13. Discussion with internal auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
17. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
18. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

Constitution of Remuneration Committee:-

Chairman informed that provisions of Clause 49 of listing agreement bounding the Company to constitute a Remuneration Committee of board of directors. The Remuneration Committee is responsible for determining the Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies of our Company, the Remuneration Committee *inter alia* determines the remuneration payable to our Directors and other Key Management Personnel in our Company.

Apart from discharging the above -mentioned functions, the Remuneration Committee also discharges the following functions:

1. Framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the top executives;
2. Remuneration of Directors; and
3. Strategies for attracting and retaining employees and employee development programme.

This Committee consists of the following:

Name of Director	Designation in the Committee	Designation in the Company
Dr. Dipuba Devda	Chairman	Independent Director
Dr. Rashid Ali Khan	Member	Independent Director
Mr. Piyushchandra Vyas	Member	Independent Director

Investor Grievance and Share Transfer Committee

Chairman informed that this Committee is responsible for the redressal of shareholder grievances and for giving effect of share transfer.

This Committee consists of the following:

Name of Director	Designation in the Committee	Designation in the Company
Dr. Rashid Ali Khan	Chairman	Independent Director
Mr. Piyushchandra Vyas	Member	Independent Director
Dr. Dipuba Devda	Member	Independent Director
Mr. Kanubhai Thakkar	Member	Managing Director

The terms of reference of the Investor Grievance and Share Transfer Committee are as follows:

1. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non-receipt of balance sheet etc in particular;
2. Review of the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Transfer Agent; and
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

This Committee is also responsible for approval of transfer of Equity and preference shares including power to delegate the same to registrar and transfer agents.

INTERESTS OF DIRECTORS

Except as stated in “Related Party Transactions” on page 152 of the Draft Red Herring Prospectus, and to the extent of shareholding in the company, the directors do not have any other interest in the business. The Directors are interested to the extent of shares allotted to them.

All Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee there as to the extent of other remuneration, reimbursement of expenses payable to them under the Articles of Association. The Directors will be interested to the extent of remuneration paid to them for services rendered by them as officers or employees of the Company.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which they hold Directorships or any

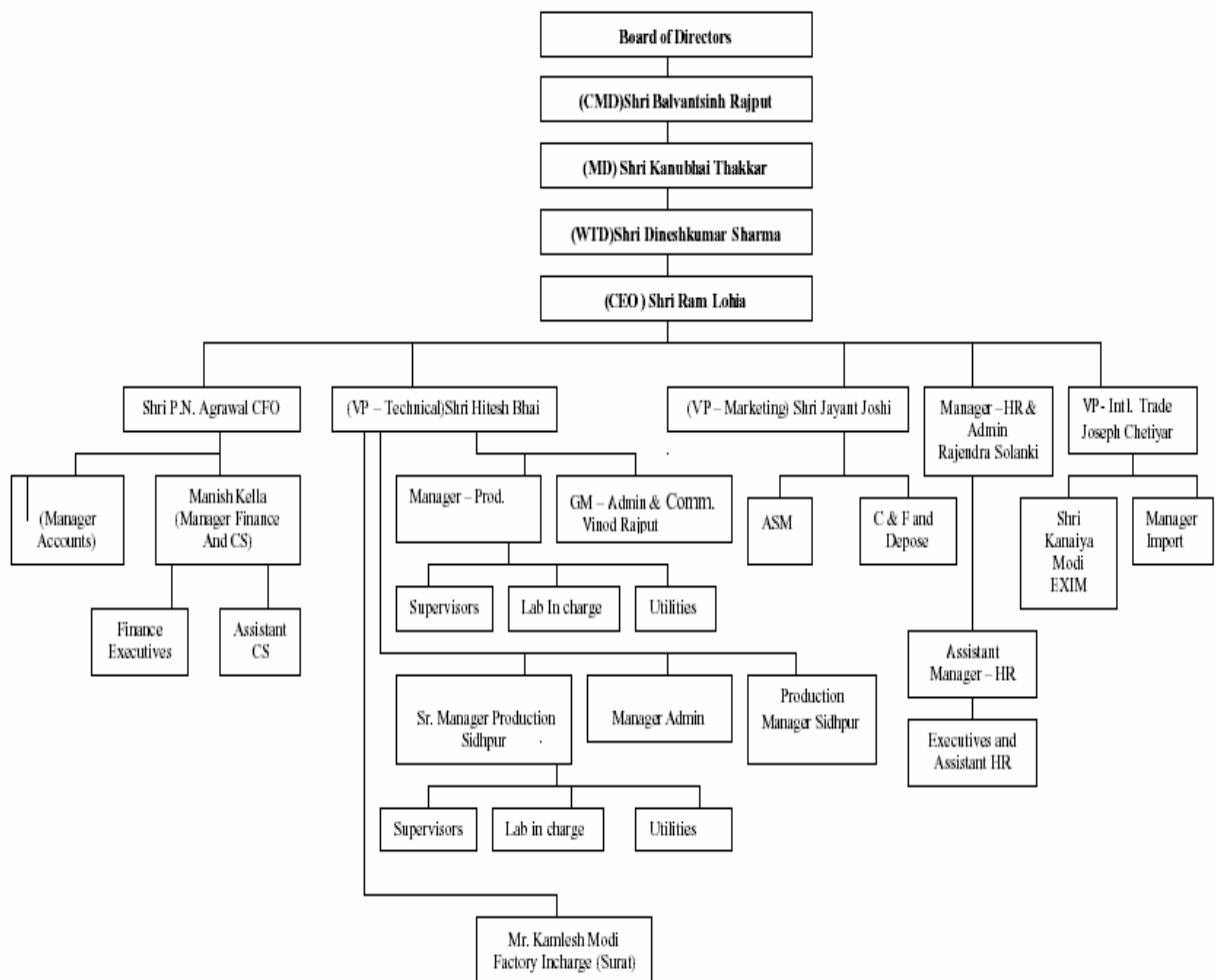
partnership firm in which they are partners as declared in their respective declarations.

CHANGES IN THE BOARD OF DIRECTORS IN THE LAST 3 YEARS

The following are the changes to the Company Board of Directors in the last 3 years and no changes thereafter have taken place:

Sr. No.	Name	Date of Appointment	Date of Cessation	Reason
1.	Mrs. Bhikhiben Rajput	December 29, 1992	August 10, 2007	Resignation
2.	Mrs. Jashodaben Thakkar	December 29, 1992	August 10, 2007	Resignation
3.	Mrs. Manjulaben Thakkar	December 29, 1992	August 10, 2007	Resignation
4.	Dr. Dipuba Devada	September 6, 2007.	---	Appointed as an Additional Independent Director
5.	Dr. Rashid Ali Khan	September 6, 2007.	---	Appointed as an Additional Independent Director
6.	Mr. Piyushchandra Vyas	September 6, 2007		Appointed as an Additional Independent Director

MANAGEMENT ORGANISATION CHART



KEY MANAGERIAL PERSONNEL OF THE COMPANY

The key managerial personnel and their designations are as under:

Sr. No	Name	Age	Designation	Qualification	Date of Joining	Previous Employment
1.	Mr. Ram Lohia	58	Chief Executive Officer (CEO)	B.E. (Hons.) in Mech. Engineering	August 4, 2007	Louis Dreyfus India Private Limited.
2.	Mr. Prakash Agrawal	34	Chief Financial Officer (CFO)	B.Com, C. A.	October 1, 2007	BOPP (Managed by NDDDB)
3.	Mr. Jayant Joshi	41	VP- Marketing	B.Sc. in ChemistryHons	March 5, 2007	GUJOIL
4	Mr. Hitesh Thakkar	28	VP – Technical	B.E. Chemical	December 31, 2000	NIL
5	Mr. Joseph Chettiar	41	VP – International Trading	B. Com	August 15, 2005	Agri Commodities Intl Pte Limited, Singapore.
6.	Mr. Manish Kella	36	Company Secretary	B.B.A., M.Com, A.C.S	November 1, 2001	ALKA India Ltd.
7.	Mr. Kanaiya Modi	35	Manager- EXIM	B.Com , CS (Inter), L.L.B.	November 1, 2004	Bajaj Auto Finance ltd.
8.	Mr. Vinod Rajput	31	GM- Admin and Commercial s	B.Com	January 1, 2001	
9	Mr. Kamlesh Modi	35	Factory Manager	B.B.A.	October 1, 2005	Adani Wilmar Ltd.
10.	Mr. Rajendra Solanki	31	Manager – Admin and HR	M.Com, PGDCA	July 1, 2004	Buyer India Limited

The persons whose name appears as key managerial personnel are on the rolls of the Company as permanent employees. None of the above mentioned Key Managerial Personnel are related to each other. None of the Key Managerial Personnel are appointed pursuant to any arrangement or understanding with major shareholder, customer or supplier.

BRIEF PROFILES OF KEY MANAGERIAL PERSONNEL

- **Mr. Ram Lohia** (Chief Executive Officer) – aged 58 years, is a merit holder from University of Jabalpur, in B.E. (Mechanical). He has an experience of over 35 years in the Edible Oil Industry. He has been associated with the National Dairy Development Board, Anand and was involved with Planning, Execution of large size cattle feed plants, milk plants and edible oil complexes. He was also involved in the handling of edible oil complexes in West Bengal and Maharashtra.. He has also worked as a Director with the Prestige Group and Raj Solvex. He was previously the Vice President of Louis Dreyfus India, and looked after port logistics for export of agro commodities during his tenure..
- **Mr. Prakash Agrawal** (Chief Financial Officer) - aged 34 years, is a bachelor in Commerce

and a member of the Institute of Chartered Accountants of India. He is currently taking care of the entire finance and accounts activities of the organization. Mr. Agrawal has been associated with Our Company since the last seven years as Consultant, and was recently appointed as the Financial Controller of Our Company. He was previously employed with Banas Oil Processing plant, Palanpur managed by NDDB.

- **Mr. Jayant Joshi** (VP – Marketing) - aged 41 years, is a Bachelor of Science in Chemistry. He has an experience of around 22 years. He has worked with companies like Gujarat Spices and Oil seeds Growers Co-operative Union Ltd (GUJOIL), Vimal Oil & Foods Limited, Prestige Feed Mills Ltd, Associated Aromatics Ltd, Ruchi Soya Industries Ltd, Dinshaw Frozen Foods, Nagpur and MBI Constructions, Tarapur.
- **Mr. Hitesh Thakkar** (VP-Technical) - aged 28 years, holds a bachelor of engineering in chemical technology. He Joined Our Company after completing his engineering as a Production Engineer. . In a span of 7 years, he has had many promotions due to his extraordinary performance and risen to the post of Vice President, all at a very small age of 28.
- **Mr. Joseph Chettiar** (VP- International Trading) - aged 41 years is holding a bachelors degree in Commerce. He has a vast experience in the International Oil Industry.. Prior to joining Our Company he was associated with Agri Commodities International Pvt. Ltd, Singapore as a Broker. He has also worked with Andagro Services, a 100% subsidiary of Noble Group, as Trader- Oil & Oilseeds.
- **Mr. Manish Kella** (Company Secretary) – aged 35 years, holds a bachelor in Business Administration, masters in Commerce and is an associate member of the Institute of Company Secretaries of India. . He joined the company as a Company Secretary cum Finance Manager. Prior to joining Our Company he was associated with Alka India Limited as a Company Secretary. Currently he is responsible for the mobilization and arrangement of Trade Finance (Domestic as well as Overseas), Bank Liaison, Working Capital Management and day to day Fund Position.
- **Mr. Kanaiyalal Modi** – 35 years, is working as a Manager EXIM and performing his duties at Our Head Office at Sidhpur. He is a Bachelor in Commerce and CS (Inter) with LLB. He started his career with Bajaj Auto Finance Limited and joined Our Company in 1998 and is with Our Company since last 9 Years.
- **Mr. Vinod Rajput** (General Manager- Admin and Commercial)- aged 31 years, holds a commerce degree from North Gujarat University, Patan. He is with Our Company for the last 8 years. He started his career as an accountant with Our Company and is presently working as GM- Admin and Commercial.
- **Mr. Kamlesh Modi** – 35 years, holds a Bachelor in Business Administration. He is incharge of the Surat Plant. He has over 15 years of experience in the Edible Oil Industry.
- **Mr. Rajendra Solanki** – 31 years, started his career with Bombay Chemicals and worked for a year with the same firm and joined Our Company as a Cashier cum Accountant. Looking at his excellent performance, Our Management promoted him as a Manager – Admin & HR to handle the entire plant of Our Company and since last five years he is working with Our Company..

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

There is no shareholding of key managerial personnel in our Company.

The Key managerial personnel are not directors in the group companies except as mentioned below: Kanubhai Modi is a Director in Intra Oil and Grains Private Limited and in the wholly owned

subsidiary Maurigo Pte Limited.

CHANGES IN THE KEY MANAGERIAL PERSONNEL SINCE LAST ONE YEAR

Sr. No.	Name	Designation	Date of Joining	Date of Leaving	Remarks
1.	Shri Ram Niranjana Lohia	CEO	5 th August 2007	N.A.	Appointed
2.	Shri P.N. Agrawal	CFO	1 st Oct, 2007	N.A.	Appointed
3.	Shri Jayant Joshi	VP- Mktg	1 st March 2007	N.A.	Appointed

BONUS OR PROFIT SHARING PLAN OF KEY MANAGERIAL PERSONNEL

Currently, company has not any performance linked bonus or a profit sharing scheme for the Employees. The key managerial personnel do not have any interest in the Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

INTEREST KEY MANAGERIAL PERSONNEL

The key managerial personnel of the Company do not have any interest in the Company other than to the extent to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

DISCLOSURES REGARDING EMPLOYEES STOCK OPTION SCHEME/EMPLOYEES STOCK PURCHASE SCHEME

Till date, the Company has not introduced any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

PAYMENT OR BENEFIT TO OFFICERS OF THE COMPANY (NON SALARY RELATED)

Except the payment of salaries and perquisites, the Company does not make any payments to its officers.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

Our Promoters are Mr. Balvantsinh Rajput, Mr. Kanubhai Thakkar, Mrs. Bhikhiben Rajput and Mrs. Manjulaben Thakkar.

The details of our Promoters are as follows:

	Mr. Balvantsinh Rajput, Chairman & Managing Director Mr. Balvantsinh Rajput, aged 45 years, a resident Indian national, is a Promoter of our Company. Mr. Balvantsinh Rajput, started as a commodity trader and has come a long way in establishing the fortunes of the group in the past 25 years. He has experience of more than 2 decades, both in edible oil and non edible oil businesses. He started his career in the year 1982 by setting up an oil mill of 50 TTD capacity. Later in the year 1992 he laid the foundation of our Company. He is associated with various Trade Associations and is an active politician. At present he is a sitting M.L.A. of Gujarat legislative assembly representing Sidhpur constituency. He is a co-chairman of SEA Imported Vegetable Oil Processing committee. He is actively involved in the day to day functions of the company. He looks after administration, production facilities and liaisoning with government agencies. PAN: ABFPR4053A Passport Number: F0473938 Driving License No: Not Available Voter ID: GJ/13/089/309002
	Mr. Kanubhai Thakkar, Managing Director Mr. Kanubhai Thakkar, aged 45 years, a resident Indian national, is a Promoter of our Company. Mr. Kanubhai Thakkar, along with Mr. Balvantsinh Rajput has been instrumental in the formation of the group. He started as a commodity trader and has over 2 decades of experience in edible oils. He is the recipient of the “Oil Man of the Year” award in the year 2005 from ‘Globoil India’. He is actively involved in the business development activities and major expansion initiatives undertaken by the group. He plays a vital role in the hedging activities undertaken by the group. He was instrumental in setting up two subsidiaries in Mauritius and Singapore to establish a presence in global market. Under his able leadership our Company is expanding its Surat plant and setting up the new Soyabean plant. Presently he is the Chairman of Western Zone Solvent Extractors’ Association of India and an office bearer of various committees like; SEA International Oil and Oilmeal Trade Council, SEA Importers Vegetable Oil Processors Council, SEA Castorseed and Oil Promotion Council. PAN: AARPT7593C Passport Number: G2020260 Driving License No: Not Available

	Voter ID: JTZ1390426 Mrs. Bhikhiben Rajput, Mrs. Bhikhiben Rajput, 38 years, a resident Indian national, is one of the promoters' of our company. She is the wife of our promoter Mr. Balvantsinh Rajput. Currently she is not associated with our Company in any managerial capacity. PAN: ABFPR3417A Passport Number: A9020052 Driving License No: Not Available Voter ID: Not Available
	Mrs. Manjulaben Thakkar Mrs. Manjulaben Thakkar, 40 years, a resident Indian national, is one of the promoters' of our company. She is the wife of our promoter Mr. Kanubhai Thakkar. Currently she is not associated with our Company in any managerial capacity. PAN: AARPT7598K Passport Number: E0411136 Driving License No: Not Available Voter ID: Not Available

We confirm that the Permanent Account Number, bank account number and passport number of all the above individual promoters shall be submitted to BSE and NSE at the time of filing this Draft Red Herring Prospectus with them.

Further, our Promoters have not been identified as willful defaulters by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by our Promoters in the past or any such proceedings are pending against our Promoters.

OUR PROMOTER GROUP

In terms of 6.8.3.2 Explanation II of the SEBI (DIP) Guidelines, the following persons form part of our Promoter Group.

I In case Promoter is an individual**a. Natural persons forming part of promoter group (due to relationship with the promoters)**

Relationship with Promoters	Promoters			
	Mr. Balvantsinh Rajput	Mr. Kanubhai Thakkar	Mrs. Bhikiben Rajput	Mrs. Manjulaben Thakkar
Father	Late Mr. Chandansinh Rajput	Late Mr. Jivatram Thakkar	Late Mr. Ramabhai Rajput	Mr. Thumimal Devumal
Mother	Mrs. Hansaben Rajput	Mrs. Jashodaben Thakkar	Mrs. Santhokben Rajput	Mrs. Parvatiben Vachhavani
Brother	NIL	Mr. Tarachand Thakkar Mr. Madhubhai Thakkar	NIL	Mr. Mulchanbhai Vachhavani Mr. Hareshbhai Vachhavani Mr. Liladharbhai Vachhavani
Sister	Late Mrs. Vimalaben N Mrs. Pusphaben Rajput Mrs. Vandanaben Rajput. Mrs. Geetaben Rajput	NIL	Mrs. Manjulaben J Rajput	Mrs. Pushpaben Mrs. Ritaben
Spouse	Mrs. Bhikiben Rajput	Mrs. Manjuben Thakkar	Mr. Balvantsinh Rajput	Mr. Kanubhai Thakkar
Children	Ms. Heenaben Rajput Mr. Dharmendrasinh Rajput Ms. Rashmi Rajput Ms. Tejal Rajput Mr. Arjun Rajput	Ms. Bhawana Thakkar Mr. Jayesh Thakkar Mr. Deepak Thakkar Mr. Nilesh Thakkar	Ms. Heenaben Rajput Mr. Dharmendrasinh Rajput Ms. Rashmi Rajput Ms. Tejal Rajput Mr. Arjun Rajput	Ms. Bhawana Thakkar Mr. Jayesh Thakkar Mr. Deepak Thakkar Mr. Nilesh Thakkar

b. Companies, Firms, HUFs and Proprietary Concerns which form a part of our Promoter Group

Relationship with Promoters	Promoters			
	Mr. Balvantsinh Rajput	Mr. Kanubhai Thakkar	Mrs. Bhikiben Rajput	Mrs. Manjulaben Thakkar
Any company in which 10% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member	1. Gokul Textile Private Limited 2. Gujarat Gokul Power Limited 3. Profitline Securities Private Limited 4. Shantiniketan Financial Services Private Limited	1. Gokul Textile Private Limited 2. Gujarat Gokul Power Limited 3. Profitline Securities Private Limited 4. Shantiniketan Financial Services Private Limited 5. Intra Oils and Grains Private Limited	1. Gokul Textile Private Limited (Indirect holding and interest through her husband Mr. Balvantsinh Rajput)	1. Gokul Textile Private Limited 2. Shri Ram Kirana Bhandar 3. M/s. Santkrupa Traders (Indirect holding and interest through her brothers and husband Mr. Kanubhai Thakkar)

Any company in which a company (mentioned above) holds 10% of the total holding	Nil	Nil	Nil	Nil
Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total holding	1. Gokul Overseas (Partnership) 2. Rajput Chandansinh (HUF) 3. Rajput Balvantsinh C. (HUF)	1. Gokul Overseas (Partnership) 2. Thakkar Kanubhai J. (HUF) 3. Kisan Cycle Stores (Proprietary concern of Mr. Tarachand Thakkar)	1. Gokul Overseas (Partnership) (Direct and Indirect holding and interest through her husband Mr. Balvantsinh Rajput)	1. Gokul Overseas (Partnership) (Direct and Indirect holding and interest through her husband Mr. Kanubhai Thakkar)

II In case promoter is a company

The Company has been promoted by individuals and we do not have any corporate entity as our Promoter.

Interests of Promoters and Common Pursuits

The aforementioned Promoters are interested to the extent of their shareholding in our Company. Further, our Promoters Directors may be deemed to be interested to the extent of fees, if any payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of remuneration, reimbursement of expenses payable to them.

Other than the salary and remuneration of the Promoter Directors, referred to in the paragraph titled “Compensation of Managing and Whole Time Directors” beginning on page 136 of this Draft Red Herring Prospectus, and dividend, if any declared on the Equity Shares, there are no payments or benefits payable to the Promoters.

Further, our Promoters are also directors / partners on the boards of or members of certain Promoter Group entities and they may be deemed to be interested to the extent of payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please refer to the chapter titled “Related Party Transactions” beginning on page 152 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

No property has been purchased / acquired by our Company within the last 2 years from the date of filing of this Draft Red Herring Prospectus.

For details on our related party transactions, please refer to the chapter titled “Related Party Transactions” beginning on page 152 of this Draft Red Herring Prospectus.

Common Pursuits

Common Pursuits among the Group Companies

Profitline Securities Private Limited and Shantiniketan Financial Services Private Limited, our group companies are in the same line of business, i.e. dealing and trading in shares and securities, however the overall scale of operations is not material.

Common Pursuits of our Promoters and our Group Companies

Gokul Overseas and our Company are in oil refining business, however Gokul Overseas is primarily in Castor Oil business, whereas only marginal revenues of our Company are from Castor Oil business and it is not our area of prime focus. Further, our Company is a partner and has 15% share in the profits and losses of Gokul Overseas.

Payment of benefit to Promoters of our Company

Except as stated in the chapter titled “Related Party Transactions” beginning on page 152 and in the paragraph titled “Interests of Promoters and Common Pursuits” of this Draft Red Herring Prospectus, there has been no payment or benefits paid or given to our Promoters, in the preceeding two years.

Related party transactions

For details on our related party transactions, please refer to the chapter titled “Related Party Transactions” on page 152 of this Draft Red Herring Prospectus.

Currency of Presentation

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lakhs” or “Lac” or “Lacs.”, means “One hundred thousand”. In this Draft Red herring Prospectus, any discrepancies in any table between of the amounts listed are due to rounding off.

Throughout this Draft Red Herring Prospectus, unless the context otherwise requires, all references to “Rupees” / “Rs.” is the legal currency of the Republic of India.

Disassociation of the Promoters from any of the Companies

The promoters have not disassociated themselves from any of the companies/ firms during the preceding three years.

Dividend Policy

The declaration and payment of dividends on our Equity Shares will be recommended by our board of directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, cash flows, capital expenditure, capital requirements and overall financial condition. Since our Company is at a growth stage, the profits earned by our Company till last year were ploughed back in our Company to meet the fund requirements. Hence no dividend has been declared by our Company till date.

RELATED PARTY TRANSACTION

A. Name of the related parties:
For Year Period ending on 31-7-2007
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker - Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors and company are partners
Maurigo International Limited :- A Wholly Owned Subsidiary Company
Maurigo PTE LTD- A Wholly Owned Subsidiary Company
Gujarat Gokul Power Ltd. Associated Company
A. Name of the related parties:
For Year 2006-07
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker - Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokul Overseas- A Partnership firm in which some of directors and company are partners
Maurigo International Limited :- A Wholly Owned Subsidiary Company
Maurigo PTE LTD- A Wholly Owned Subsidiary Company
For Year 2005-06
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker-Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors are partners
Maurigo International Limited :- A Wholly Owned Subsidiary Company
For Year 2004-05
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker-Director
Mrs. J.J.Thakker-Director

2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors are partners
Maurigo International Limited :- A Wholly Owned Subsidiary Company
For Year 2003-04
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mr. C.M.Rajput-Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker- Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors are partners
For Year 2002-03
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mr. C.M.Rajput-Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker- Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokul Overseas- A Partnership firm in which some of directors are partners

B. Transaction with related parties:							
Particulars		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
In Relation to (1) above							
Sales/ Job work Income							
Purchase of Goods							
Rent Paid							
Interest Paid		-	-	-	0.21	0.72	1.04
Salary And Bonus		66.69	51.88	51.88	103.38	62.89	20.89
Guarantee Given							
Subscription of Share							
Receipts of Loans		71.95	1,315.41	908.51	-	-	600.00
Payment of Loans		1890.15	616.47	1,013.39	42.50	2.23	303.12
Bonus Share Issued		-	493.35	-	-	-	-
In Relation to reletive of (1) above							
Sales/ Job work Income		-	-	-	-	-	-
Purchase of Goods							
Rent Paid		-	-	-	-	-	-
Interest Paid		-	1.37	1.05	1.92	2.94	5.98
Salary And Bonus		0.72	2.89	2.74	8.73	7.23	6.04
Guarantee Given							
Subscription of Share							
Receipts of Loans		4.13	-	-	-	-	-
Payment of Loans		0.34	-	0.25	-	-	-
Bonus Share Issued		-	5.60	-	-	-	-
In Relation to reletive of (2) above							
Sales/ Job work Income		-	613.49	2,551.49	1,290.34	2,593.35	1,500.52
Purchase of Goods		4,097.30	11.58	34.74	9.01	11.33	14.82
Rent Paid		-	-	-	-	-	-
Interest Paid		-	-	-	-	-	-
Salary And Bonus							
Guarantee Given		3,000.00	3,000.00	1,500.00	1,500.00	500.00	500.00
Subscription of Share/Invetment		1255.13	1,286.22	-	43.49	-	-
Receipts of Loans							
Payment of Loans							
Loans and Advances Given		172.38					
Bonus Share Issued							

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, cash flows, capital expenditure, capital requirements and overall financial condition. Our Company has no stated dividend policy

The dividend paid by our Company in the last three financial years is as provided herein:

Sr. N o.	Particulars	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007
1.	Face Value per share	10	10	10	10	10
2.	Dividend (Rs. million)	Nil	Nil	Nil	Nil	Nil
3.	Dividend per Equity Share (Rs.)	Nil	Nil	Nil	Nil	Nil
4.	Dividend rate (% to paid up capital)	Nil	Nil	Nil	Nil	Nil

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS (RESTATED), AS PER INDIAN GAAP OF GOKUL REFOILS AND SOLVENT LIMITED FOR THE FOUR MONTHS PERIOD ENDED JULY 31, 2007 AND THE FINANCIAL YEARS ENDED MARCH 31, 2007, MARCH 31, 2006, MARCH 31, 2005, MARCH 31, 2004 AND MARCH 31, 2003.

AUDITORS' REPORT

To,
The Board of Directors,
Gokul Refoils and Solvent Limited,
Opp. Sujapur Patia,
State Highway No.41,
Sidhpur-384151
Distt - Patan (NG)
Gujarat - India

Dear Sirs,

Sub: Proposed Initial Public Issue of Gokul Refoils and Solvent Limited

A)

1. We have examined the annexed unconsolidated financial information of Gokul Refoils and Solvent Ltd, Sidhpur for the five financial years ended March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006 and March 31, 2007 and four months period ended July 31, 2007 being the last date, to which the accounts of the company have been made up and audited. The financial information is based on the accounts audited by us for the five financial years ended March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006 and March 31, 2007 and four months period ended July 31, 2007 and as approved by Board of Directors of the Company, for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of equity shares in the Company (referred to as 'the issue'). The financial information is based on the accounts audited by us for the above-mentioned period. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on the audit.
2. In accordance with the requirements of:
 - a) Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act');
 - b) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended vide circular no.11 on August 14, 2003 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications and
 - c) The terms of reference with the Company dated 26 September 2007, requesting us to carry out work in connection with the Offer Document as aforesaid.

We report that the restated assets and liabilities of the Company as at March 31, 2003, 2004, 2005, 2006, 2007 and four months period ended July 31, 2007 are as set up in Annexure I to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report.

We report that the restated profits and loss statements of the company for the financial years ended March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006, March 31, 2007 and four months period ended July 31, 2007 are as set out in Annexure II to this report. These profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report.

We report that the restated cash flows of the Company for the financial years ended March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006, March 31, 2007 and four months period ended July 31, 2007 are as set out in Annexure III to this report. These cash flows have been arrived at after making such adjustments/restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report.

3. The Company has not paid any dividend on equity Shares in any of the Years/period mentioned above.
- B) We have examined the following financial information relating to the Company as approved by the Board of Directors for the purpose of inclusion in the offer Document:
 1. Statement of Debtors as appearing in Annexure V to this report;
 2. Details of loans and advances as appearing in Annexure VI to this report;
 3. Statement of Secured Loans as appearing in Annexure VII to this report;
 4. Statement of Unsecured Loans as appearing in Annexure VIII to this report;
 5. Statement of Operational Income as appearing in Annexure IX to this report;
 6. Statement of Other Income as appearing in Annexure X to this report;
 7. Details of Contingent Liabilities as appearing in Annexure XI to this report;
 8. Financial Ratios as appearing in Annexure XII to this Report;
 9. Capitalization Statement as at July, 31 2007 as appearing in Annexure XIII to this report;
 10. Statement of Tax Shelters as appearing in Annexure XIV to this report;
 11. Statement of investments at the end of above mentioned period is enclosed as per Annexure XV;
 12. Detail of transaction with the related parties (Related parties within the meaning of AS 18 issued by Institute of Chartered Accountants of India) enclosed as per Annexure XVI;
- C) In our opinion the above financial information of the Company as stated in Para A & B above read with significant accounting policies and notes appearing in Annexure IV to this report, after making adjustments/restatements and re-grouping as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.
- D)
 1. The accounts of Maurigo International Ltd., Mauritius a wholly owned subsidiary of the company for the period ended March 31, 2005 (October 20, 2003 to March 31, 2005) and financial year ended March 31, 2006, March 31, 2007 and four months ended July 31, 2007. These accounts have been prepared and approved by its Board of Directors and audited by Auditor **DFK- R.C Partners.**, Chartered Certified Accountants.
 2. The accounts of Maurigo Pte Ltd., Singapore a wholly owned subsidiary of the company for the period ended March 31, 2007 and four months ended July 31, 2007 have been prepared and approved by its Board of Directors and audited by Auditor KANG & KHOO, Certified Public Accountants.
 3. The financial statements of the above mentioned subsidiary companies have been consolidated by the Company's management in the Company's restated summary financial statements as appearing in Annexure XVII, XVIII, read with notes to consolidation as appearing in Annexure XIX to this report.

This report is intended solely for your information and for inclusion in the offer document in connection with the Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

PLACE:- AHMEDABAD DATE :- October 6, 2007	For M.R. Pandhi & Associates Chartered Accountants
	M. R. Pandhi Partner Membership No. - 033057

Annexure I							
SUMMARY OF ASSETS AND LIABILITIES AS RESTATED: (Rs. In Lakhs)							
Particulars		As At	As At	As At	As At	As At	As At
		31-Jul-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
A FIXED ASSETS							
Gross Fixed Assets		13,326.14	12,693.03	7,361.92	6,371.36	1,706.57	1,240.07
Less : Accumulated Depreciation		2,677.86	2,339.00	1,528.28	920.00	432.68	294.01
Net Fixed Assets		10,648.28	10,354.03	5,833.63	5,451.35	1,273.89	946.06
Capital Work In Progress		1,624.60	1,193.91	1,102.83	62.41	3,546.98	211.46
Total		12,272.88	11,547.95	6,936.46	5,513.76	4,820.87	1,157.52
B INVESTMENTS		2,589.40	1,334.29	46.70	46.64	0.69	0.68
C CURRENT ASSETS, LOANS & ADVANCES							
Inventories		26,096.06	16,366.80	9,920.03	8,293.96	5,375.13	1,996.72
Sundry Debtors		7,077.27	9,669.71	4,589.33	3,991.94	3,512.67	1,824.64
Cash & Bank Balances		6,805.95	4,975.89	5,642.00	9,610.37	2,550.18	3,255.87
Loans & Advances		3,058.34	1,857.41	1,638.16	1,567.09	823.12	147.27
Total		43,037.63	32,869.81	21,789.52	23,463.36	12,261.10	7,224.49
D LIABILITIES AND PROVISIONS							
Secured Loans		10,692.65	7,012.63	1,702.49	1,842.51	2,456.08	-
Unsecured Loans		133.14	1,945.68	1,250.09	1,354.26	1,417.47	667.17
Deferred Tax Liability		1,110.56	1,025.67	633.17	638.52	209.42	123.29
Current Liabilities		30,395.73	23,021.71	15,365.08	16,082.60	5,922.79	3,679.46
Provisions		1,495.45	362.35	143.37	549.75	327.90	92.70
Total		43,827.53	33,368.04	19,094.20	20,467.64	10,333.66	4,562.62
E NET ASSETS (C - D)		(789.90)	(498.23)	2,695.32	2,995.72	1,927.44	2,661.87
F NET WORTH (A + B + E)		14,072.39	12,384.00	9,678.48	8,556.12	6,748.99	3,820.08
Represented by							
Share Capital		1,841.25	1,841.25	1,227.50	1,227.50	1,227.50	1,122.50
Reserve & Surplus		12,231.14	10,542.74	8,451.06	7,328.61	5,521.49	2,697.58
		14,072.39	12,383.99	9,678.56	8,556.11	6,748.99	3,820.08
Less : Miscellaneous Expenses Not W/off		-	-	-	-	-	-
G NET WORTH		14,072.39	12,383.99	9,678.56	8,556.11	6,748.99	3,820.08
Note: The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure –IV to the Report.							

Annexure II							
SUMMARY OF PROFIT & LOSSES AS RESTATED: (Rs. In Lakhs)							
Particulars		01.04.2007	01.04.2006	01.04.2005	01.04.2004	01.04.2003	01.04.2002
		To	To	To	To	To	To
		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Income							
Sales & Operating Incomes Of products manufactured by The Company		55,291.44	126,528.71	105,431.86	91,570.96	26,663.31	25,815.74
Of products traded by The Company		9,752.47	29,720.41	19,572.39	16,766.37	23,068.10	15,681.20
Other Income		64.16	457.00	428.94	493.06	334.53	211.59
Increase / (Decrease) in Stock		410.93	3,296.85	396.80	3,268.14	239.00	199.24
Total Income		65,518.99	160,002.97	125,829.99	112,098.53	50,304.94	41,907.77
Expenditure							
Raw Material Consumed / Cost of Traded Goods		56,611.88	141,222.54	114,680.16	102,603.77	45,621.03	39,124.54
Manufacturing Expenses		714.47	2,341.72	1,466.22	1,353.89	755.49	683.56
Payment & Provision for Employess		161.06	379.40	309.14	230.19	67.51	60.01
Administrative & Other Expenses		391.83	740.10	1,248.70	459.30	233.23	116.73
Selling & Distribution Expenses		3,742.07	8,836.69	5,088.64	3,656.39	1,233.93	771.63
Financial Charges		994.07	1,948.87	839.25	449.88	121.38	87.87
Depreciation & Amortization		338.86	830.14	611.81	495.21	138.85	106.43
Total Expenditure		62,954.24	156,299.47	124,243.92	109,248.63	48,171.42	40,950.78
Profit before tax and prior period item for the period / year		2,564.76	3,703.50	1,586.07	2,849.90	2,133.52	956.99
Add / (Less) : Prior Period Items		-	-	-	-	-	-
Profit Before Tax		2,564.76	3,703.50	1,586.07	2,849.90	2,133.52	956.99
Add / (Less) : Provision for Tax							
Current Tax		791.48	630.57	489.14	615.00	672.00	242.00
Earlier Years		-	9.04	7.50	23.27	9.58	0.34
Deferred Tax Liability / (Assets)		84.89	392.50	(5.35)	429.10	86.13	26.72
Profit After Taxation as per Audited Accounts (A)		1,688.39	2,671.39	1,094.78	1,782.52	1,365.82	687.93
Impact of Change in Accounting Policies and Estimates							
Short Provision for Taxation		-	(9.04)	(2.66)	(18.36)	11.88	(10.88)
Prior Period Adjustments		-	-	-	-	-	-
Total Impact of Adjustment		-	(9.04)	(2.66)	(18.36)	11.88	9.58
Net Profit as Restated		1,688.39	2,680.43	1,097.45	1,800.88	1,353.93	678.35
Profit & Loss a/c. at the beginning of the year		8,380.77	5,700.35	4,602.90	2,802.02	1,448.08	866.30
Earlier Year Deffered Tax		-	-	-	-	-	96.57
Balance available for appropriations, as restated		10,069.16	8,380.77	5,700.35	4,602.90	2,802.02	1,448.08
Appropriation							
Proposed Dividend on Equity shares		-	-	-	-	-	-

Tax on Dividend		-	-	-	-	-	-
Transfer to General Reserve		-	-	-	-	-	-
Balance Carried forward as restated		10,069.16	8,380.77	5,700.35	4,602.90	2,802.02	1,448.08
Notes							
1. The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure-IV to the Report .							

Annexure III							
STATEMENT OF CASH FLOWS AS RESTATED: (Rs. In Lakhs)							
Particulars		01.04.2007	01.04.2006	01.04.2005	01.04.2004	01.04.2003	01.04.2002
		To	To	To	To	To	To
		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Income							
A. Cash Flow from Operating Activities							
Net Profit before taxation and extraordinary items		2,564.76	3,703.50	1,586.07	2,849.90	2,133.52	956.99
Adjustment for :							
Depreciation & Amortization		338.86	830.14	611.81	495.21	138.85	106.43
Interest (Net)		743.98	1,351.20	497.14	228.87	(154.57)	(129.28)
Interest Dividend Received.		(0.19)	(0.18)	(0.22)	(0.15)	(0.04)	-
Loss on Sale of Assets		-	1.89	3.37	4.30	(0.01)	-
Misc. Expenses Amortization		-	-	-	-	-	-
Operating Profit before working capital Changes		3,647.41	5,886.54	2,698.17	3,578.13	2,117.75	934.14
Increase in trade receivables		2,592.44	(5,080.38)	(597.40)	(479.27)	(1,688.03)	(666.41)
Increase in loans & advances		(1,128.54)	(219.25)	(71.07)	(743.97)	(920.05)	(87.52)
Increase in Inventories		(9,729.27)	(6,446.76)	(1,626.07)	(2,918.83)	(3,378.42)	(708.36)
Increase in trade Payables & Others		8,507.13	7,884.52	(824.42)	10,400.01	2,710.85	1,198.36
Cash Generated from Operations		3,889.16	2,024.67	(420.79)	9,836.07	(1,157.90)	670.21
Direct tax Paid (Net of Excess/surplus provision)		(791.48)	(639.60)	(489.94)	(638.27)	(681.58)	(242.34)
Interest Paid		(910.46)	(1,886.82)	(1,210.10)	(554.39)	(94.91)	(88.68)
Cash Flow before extraordinary items		2,187.23	(501.75)	(2,120.82)	8,643.41	(1,934.38)	339.20
Extraordinary Items							
Net Cash from Operating Activities A		2,187.23	(501.75)	(2,120.82)	8,643.41	(1,934.38)	339.20
B. Cash Flow from Investing Activities							
Purchase of Fixed Assets		(1,063.80)	(5,461.94)	(2,053.51)	(1,194.90)	(3,803.00)	(332.36)
Pre Opeative and project Expenses		-	-	-	-	-	-
Purchase of Investment (NET)		(1,327.51)	(1,287.59)	(0.06)	(45.95)	-	(0.43)
Proceeds from sale of fixed assets		-	18.42	15.64	2.50	0.81	1.10
Interest Received on bank Deposits		166.48	535.74	712.96	325.52	249.48	217.96
Dividend Received		0.19	0.18	0.22	0.15	0.04	-
Net Cash from Investment Activities		(2,224.64)	(6,195.19)	(1,324.75)	(912.68)	(3,552.68)	(113.73)
C. Cash Flow from Financing Activities							
Proceeds from issuance of		-	25.00	25.00	-	1,575.00	1,347.50

share capital							
Borronwing (Net)		1,867.48	6,005.73	(547.71)	(676.78)	3,206.38	(751.16)
Net Cash used from finacial activities		1,867.48	6,030.73	(522.71)	(676.78)	4,781.38	596.34
NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS		1,830.06	(666.20)	(3,968.28)	7,053.95	(705.68)	821.80
OPENING BALANCE IN CASH AND CASH EQUIVALENTS		4,975.89	5,642.09	9,610.37	2,550.17	3,255.86	2,434.05
CLOSING BALANCE IN CASH AND CASH EQUIVALENTS		6,805.95	4,975.89	5,642.09	9,604.12	2,550.17	3,255.85

Annexure IV

NOTES ON ADJUSTMENTS AND SIGNIFICANT ACCOUNTING POLICIES FOR
RESTATED FINANCIAL STATEMENTS

1) NOTES ON ADJUSTMENTS

a) Short / Excess Provision for Income Tax

The profit and loss account for the period ended July 31, 2007 and financial year ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 include amounts paid / provided for or refunded in respect of shortfall / excess income-tax arising out of assessments, appeals, etc. For the purpose of this statement, the said Income Tax has been appropriately adjusted in the respective years.

2) SIGNIFICANT ACCOUNTING POLICIES:-

(a) **Basis of preparation of financial statements and revenue recognition:-**

- i.) The financial statement have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.
- ii.) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the company.
- iii.) Sale of goods is recognised on shipment and dispatch to customers. Sale is inclusive of excise duty and other levies wherever applicable except sale tax in case of some branches. Other revenue is recognised on accrual basis except dividend.

(b) **Fixed Assets & Depreciation / Amortisation:-**

- i.) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. All cost, till commencement of commercial production is capitalized. Application software expenses for internal use are treated as intangible assets.
- ii.) Depreciation on fixed assets is provided on the straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956. Intangible assets are amortized equally over five year.
- iii.) Pursuant to accounting standard 28 “Impairment of Assets” issued by the ICAI, The Company has a system to review the carrying cost of all the assets vis-à-vis recoverable value and impairment loss, if any is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

(c) **Investments**

- i) Long term Investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management.
- ii) Dividends are accounted for as and when received.
- iii) Share of profit/loss from partnership firm is recognized when the company is right to receive /pay is established.

(d) **Foreign Currency Transactions: -**

- i.) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transactions. Foreign currency transactions remaining unsettled at the year-end are restated at the exchange rate prevailing at the end of the year. Gains and losses on foreign exchange transactions other than those relating to fixed assets are charged to profit & loss account. Premium paid on forward contract has been recognised over the life of the contract

(e) **Inventories:-**

Inventories are valued at lower of cost and net realizable value except by products which is valued at estimated realizable value. In determining the cost of raw Material, stores spares, and other material the first in first out (FIFO) method is used. Finished goods and work in progress included material cost, labour and factory overheads and excise duty, if applicable.

(f) **Employee Retirement Benefit:-**

- i.) Company's contributions to provident fund other benefits like PL wages, during the year are charged to profit and loss account.
- ii.) The company has created a trust and has taken group gratuity policy with The Life Insurance Corporation of India for the future payments of retiring gratuities. The premiums thereon have been so adjusted as to cover the liabilities in respect of all employees at the end of their future anticipated service with the company.
- (g) **Lease Rent:-**
Lease rentals are expensed with reference to lease terms and other considerations.
- (h) **Liquidated Damages:**
Liquidated damages / Penalties, if any are provided whenever there is a claim from party and when the same is accepted by the company.
- (i) **Custom Duty:-**
The year end inventory is inclusive of custom duty but in case of raw material materials in bond or raw material on which duty of custom is not paid are valued at cost exclusive of custom duty.
- (j) **Taxation:-**
Provision for income tax is made on the basis of estimated taxable income. Advance tax and tax deducted at source are adjusted against provision for taxation and balance if any are shown in the balance sheet under respective heads.
- (k) **Deferred Taxation**
Deferred tax resulting from timing differences between book and tax profit is accounted for under the liability method at the current rate of Income tax to the extent that the timing differences are expected to crystallize as deferred tax charge/benefit in the profit and loss a/c and as deferred tax Assets/Liability in the Balance-Sheet.
- (l) **Insurance Claim**
Insurance and other claims to the extent considered recoverable are accounted for in the year of claim based on the amount assessed by the surveyor. However, claims and refund whose recovery cannot be ascertained with reasonable certainty, are accounted for on acceptance/actual receipts basis.
- (m) **Borrowing Cost**
Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost are charged to Revenue.
- (n) **Excise Duty**
Excise duty has been accounted on the basis of both payment made in respect of goods cleared and provision made for goods lying in bonded area.
- (o) **Use Of Estimates**
In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period;; actual results could differ from those estimates.
- (p) **Commodity Hedging Transactions**
The commodity hedging contracts are accounted on the date of their settlement and realized gain/loss in respects of settled contracts are recognised in the profit and loss account, along with the underlying transactions.
- (q) **Provision, Contingent Liabilities and Contingent Assets**
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes, Contingent assets are neither recognised nor disclosed in the financial statements.
- (r) **Related Party Transaction**
Parties are considered to be related if at any time during the year, one party has the ability to control the other party or to exercise significant influence over the other party in making financial and / or operating decision.

(s) Earning Per Share

The earning considered in ascertaining the company's EPS comprises the net profit after tax attributed to equity shareholders. The number of shares used in computing basis EPS is the weighted average number of shares outstanding during the year.

3) Notes Forming Parts of Accounts**1. Secured Term Loan**

Term Loans from Banks are secured by equitable mortgage of land and building situated at Gadhidham, hypothecation of specified machinery at Gadhidham and sidhpur unit and wind Turbines. Further secured by second charge on current assets of the company. Working Capital loans are secured by hypothecation of stock, book debts and other current assets of the company.

2. In the opinion of the Board, the Current Assets, Loans and Advances approximately of the value, if realised, during the ordinary course of business.

3. (a) Buyer's credit acceptances has been netted off by buyer's credit margin money for effective presentation.

(b) Interest income on fixed deposit kept as margin has been shown as deduction from interest paid for loans in Profit and Loss a/c for proper presentation.

(c) Gain on foreign exchange transactions is included under the head "operating income" for proper presentation.

4 The company is consistently following practice to value raw material in bond and raw material on which duty of custom not paid, at cost excluding custom duty. Provision for custom duty payable on such goods is not made in books of accounts amounting to Rs. 2203.24 Lakhs as on July 31, 2007, Rs. 1218.69 as on March 31, 2007, Rs. 1400.99 lacs as on March 31, 2006, Rs. 12.82 as on March 31, 2005, Rs. 1876.92 lacs as on March 31, 2004 and Rs. 481.86 lacs as on March 31, 2003. To that extent assets and liabilities are understated in the Balance-Sheet. However there is no effect on Net profit for the year.

5. The balances of sundry debtors and sundry creditors are subject to confirmation from respective parties.

6. Contingent Liabilities:- Contingent Liabilities is shown separately in Annexure XI to the report.

7. Segment Reporting:

The Company is mainly engaged in manufacturing and processing of edibles oils. The products are similar in nature and therefore are not subject to different risks and returns. Further the company mainly caters to the Indian market. the revenue and segment results from export activity are less than 10% of total revenue till the year ended on March 31, 2007 hence there are no reportable business /geographical segments.

8. Balance with non scheduled bank held in current Accounts:- (Rupees in Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
1.Sidhpur Nagarik Bank	8.98	2.98	1.47	1.46	0.80	0.95
2.The B.K.Merc. Co-op. Bank Ltd(DEESA)	0.008	0.008	0.008	0.009	0.009	0.009

9. Value of Imports on C. I. F. (Rupees in Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Raw Material	32239.74	61209.23	58715.50	50879.30	31672.90	13698.68
Capital Goods	118.99	122.39	86.63	14.85	366.71	0
Spares and other Materials	0	191.20	12.67	1.12	0.00	0

10. Earnings in Foreign currency (Rupees in Lacs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Export at FOB Value	7513.55	11664.64	856.47	571.43	NIL	NIL

11. Expenditure in Foreign currency. (Rs. in Lacs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Business Tour Exp.	6.25	28.50	3.92	1.72	5.59	2.17
Interest	459.93	1018.78	672.17	316.99	81.88	NIL

12. Estimated amount of contract remaining to be executed on capital account and not provided
(Rs. In Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Capital Expenditure	2281.23	1876.33	158.10	150	125	65

13. Auditors Remuneration (Rs. In Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
For Audit Fees	1.03	2.24	1.65	1.32	0.97	0.95
For Tax Audit Fees	0.18	0.56	0.28	0.33	0.11	0.10
For Out of Pocket Expenses	0	0	0	0	0	0.01

14. Payment to Directors (Rs. In Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Working Directors Salary and Contribution to Provident Fund	41.04	51.88	103.96	103.96	62.89	20.89
Commission	25.65	0	0	0	0	0

Upto 31-03-2007 no commission was payable hence the computation of profits in accordance with Section 349 of the Companies, Act, 1956 is given for the four months period ended July 31, 2007 which is as under:

(Rs. In Lakhs)

Profit Before Taxation and director remuneration		2,631.44
Less:-		
Director Remuneration	41.04	
Director Fees	-	
Provision for doubtful debts and advances	-	
Book Deficit on disposal of Fixed assets (net)	-	41.04
		2,590.40
Add :-		
Loss/Profit of sale of Assets	0	
Loss/Profit on disposal of Investment	0	0
Net Profit for section 198 of The Companies Act 1956.		2,590.40
Commission	1%	25.65

15. The company is a partner in M/s Gokul Overseas. The constitution of the firm is as under.

Name of Partner	% of Share in Profit/Loss
1 Shree B.C. Rajput	21.25
2 Shree K. J. Thakker	21.25
3. Mrs. B.B Rajput	21.25
4.Mrs. M.K.Thakker	21.25
5.Gokul Refoils & Solvent Ltd.	15.00

The Accounting year of the partnership is from 1st April to 31st March. The share of profit/loss of the said partnership is brought in the accounts of the company up to 31.03.07.

16. Sundry debtors include Rs. 235.36 (P.Y. Rs. 644.21) due from a firm in which some of the directors of the company and company is partner.

(Rs. In Lakhs)

Period/Year	31-7-07	31-3-07	31-3-06	31-3-05	31-3-04	31-3-03
Amount due	235.36	644.21	103.44	0	0	171.70

17. To the best of our knowledge and as per the information available with the management :-
 (a) Sundry Creditors does not include any individual outstanding of more than Rs. 1 lakh each payable to small scale industrial units.
 (b) Suppliers/service Providers covered under Micro, Small, Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed under section 22 of the said Act is not given.

18. The major component of Deferred tax liability (Net) are given below: (Rs. in Lacs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Deferred tax liability on account of i) Depreciation	84.89	1025.67	633.17	638.52	209.42	123.29
Deferred Tax Assets	NIL	NIL	NIL	NIL	NIL	NIL
Net Deferred tax liability	84.89	1025.67	633.17	638.52	209.42	123.29

19. Earning per share:- Separately calculated in Annexure XII.
 20. Segment Reporting: - The Company is mainly engaged in manufacturing and processing of edibles oils. The products are similar in nature and therefore are not subject to different risks and returns. Hence there is no reportable business segment. Company is selling its goods in domestic as well as export market. The geographical segment details are as under.

(Rs in Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Sales (Net of Excise)						
India	56062.78	142604.77	123953.70	107058.56	49402.71	40421.67
Rest of the World	8981.13	13644.35	889.22	571.43	0	0

Annexure V							
AGE-WISE ANALYSIS OF SUNDRY DEBTORS: (Rs. In Lakhs)							
Particulars		As At	As At	As At	As At	As At	As At
		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Receivable other than from promoters group							
Less than Six Months		6,804.75	8,869.08	4,439.81	3,935.71	3,510.66	1,641.83
More than Six Months		37.17	156.42	46.07	56.23	2.01	11.11
Receivable from promoters group							
Less than Six Months		235.36	644.21	103.45	-	-	171.70
More than Six Months		-	-	-	-	-	-
Total		7,077.27	9,669.71	4,589.33	3,991.94	3,512.67	1,824.64

Annexure VI							
DETAILS OF LOANS & ADVANCES: (Rs. In Lakhs)							
Particulars		As At	As At	As At	As At	As At	As At
		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Receivable from Promoters		-	-	-	-	-	-
Receivable from Group Companies		172.38	-	-	-	-	-
Receivable from Others		2,885.96	1,857.41	1,638.16	1,567.09	823.12	147.27
Total		3,058.34	1,857.41	1,638.16	1,567.09	823.12	147.27

Annexure VII							
DETAILS OF SECURED LOANS: (Rs. In Lakhs)							
Particulars	31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003	
TERM LOAN							
STATE BANK OF INDIA,	1,175.86	1,306.45	907.64	1,200.00	1,500.00	-	
PUNJAB NATIONAL BANK	302.93	340.58	491.33	642.51	755.23	-	
DEVELOPMENT CREDIT BANK	458.33	491.67		-		-	
STATE BANK OF TRAVANCORE	735.67	776.84		-		-	
UNION BANK OF INDIA	828.05	823.00		-		-	
WORKING CAPITAL							
CENTRAL BANK OF INDIA	-	1,000.28	303.46			-	
DEVELOPMENT CREDIT BANK	500.00	268.24	0.06	-	0.82	-	
DENA BANK	498.51	505.91	-	-	-	-	
H.D.F.C. BANK LTD	1,876.11	543.27	-	-	-	-	
STATE BANK OF INDORE	942.21	481.42				-	
PUNJAB NATIONAL BANK	500.00			-	200.03		
STATE BANK OF TRAVANCORE	906.99	474.97	-	-	-	-	
UNION BANK OF INDIA	500.00	-	-	-	-	-	
BANK OF INDIA	1,468.00	-	-	-	-	-	
Total	10,692.65	7,012.63	1,702.49	1,842.51	2,456.08	-	

S r.	Type of Facility	Name of Bank	Sanctioned Limit	Outstanding as on 31.07.07	Interest Rate	Repayment Schedule	Security
1	Term Loan						<u>Primary Security</u>
	I	(a) State Bank of India	1500	550.86	TL - 1% below SBAR with a minimum of 10.50% p.a.	In 20 equal installments	First charge on immovable and movable fixed assets of the Company at Gandhidham unit purchased out of bank finance on pari passu basis with Punjab National Bank
						Interest payable monthly	
							<u>Collateral security</u>
		(b)Punjab National Bank	750	302.93	BPLR -1.5% = 11.50% p.a.	In 20 equal installments	Second charge on pari passu basis over all current assets of the Company
						Interest payable monthly	
						<u>Repayment has to be made by July 2009</u>	
							Other
							Collateral securities & guarantees same as given for Working capital limits
	II	State Bank of Tranvancore	820	735.67	BPLR-1.5% i.e., 10.00%	In 20 equal installments	Primary Security :

						Interest payable monthly	Exclusive first charge on two WTGs financed through the term loan
							Collateral Security :
							second charge on current assets of the Compan
							Collateral securities & guarantees same as given for Working capital limits
	III	Union Bank of India	900	828.05	BPLR-1% i.e., 10.50% at present	In 60 equal installments	Primary Security :
						Interest payable monthly	
							Exclusive first charge on two WTGs financed through the term loan; second charge on current assets of the Company
							Collateral Security :
							second charge on current assets of the Compan
							Collateral securities & guarantees same as given for Working capital limits
	IV	State Bank of India	625	625	TL - 1% below SBAR with a minimum of 10.50% p.a.	In 20 equal installments	Primary Security :
						Interest payable monthly	Hypothecation of Plant & Machinery
							Parri Passu Charge with DCB
							Collateral Security :
		Development Credit Bank Ltd	500	458.33	BPLR less 4.25% i.e., 10.50% at present	In 60 equal installments	second charge on current assets of the Compan
						Interest payable monthly	Collateral securities & guarantees same as given for Working capital limits
S r.	Type of Facility	Name of Bank	Sanctioned	Outstanding	Interest	Repayment Schedule	Security
N o.			Limit	as on	Rate		
				31.07.07			
1	Working Capital						
	EPC/FBBP/CC						
	I	State Bank of India	1000	0	as per banks instructions/ RBI guidelines	Renewable every year payable on Demand	Primary Security :Hypothecation of current assets,
							book debts, receivables, stocks etc.,
					CC - 1% below SBAR with a minimum of 10.50% p.a.		Parri Passu Charge with all consortium member banks
	II	State Bank of Tranvancore	1000	906.99	Cash Credit - 1.75% above SBT PLR, minimum 14.75% p.a. with monthly rests.		lead by State Bank of India

							Collateral Security : Mortgage of Land & Building of
	III	State Bank of Indore	1000	942.21	Export credit (In Rs.)		GRSL at Sidhpur , Office premises at Ahmedabad,
					Pre-shipment credit:		Mortgage of Land & Building of Gokul Overseas
					Up to 180 days - 3.25% below BPLR i.e., 9.50% p.a		at Sidhpur , Office premises at Ahmedabad Pledge of Shares of Rs.2 crores held by BCR & KJT
							Pledge of Shares of Rs.2 crores held by BCR & KJT
					Beyond 180 days and up to 270 days – 1.50 % below BPLR i.e., 11.25% p.a.		second charge on Fixed assets of the Company at Gandhidham, Exapnsion at Sidhpur , Wind Mills at Kadoli and Abdasa Personal Guarantee of Mr. Balvantsinh Rajput,
							Mr. Kanubhai J Thakkar, Mrs.Bhikhiben B Rajput and Mrs.Manjulaben K Thakkar
					Post shipment credit:		
					Demand Bills for transit period - 3.25% below BPLR i.e., 9.50% p.a.		
					Usance Bills:		
					Up to 90 days 3.25% below BPLR i.e., 9.50% p.a.		
					Beyond 90 days and up to 6 months – 1.50% below BPLR i.e., 11.25% p.a.		
	IV	Development Credit Bank	500	500	BPLR less 4.25% i.e., 10.50% at present		
	V	Union Bank of India	500	500	As per Bank's guidelines		
	VI	Dena Bank	500	498.51	BPLR +1% i.e., 12.5% p.a. at present subject to change as per HO circulars/		
					RBI directives from time to time		
	VII	Punjab National Bank	500	500	BPLR -3.75% = 8.50% p.a.		
	Warehousing						
	Finance Facility						
	I	Bank of India	1500	1468	Interest is payable at 10.50% p.a.	Repayment is due before 5 September 2008	Primary Security : Pledge of Warehouse Receipts issued
	II	HDFC BANK	2000	1876.11			Collateral Manager connoting pledge of goods i.e Castor seeds, Rapeseeds / Mustard Seeds
					Interest payable at prevailing rates, 11.00% p.a. payable monthly at present	Repayment to be made before 15 February 2008	Personal Guarantee of Mr. Balvantsinh Rajput,
							Mr. Kanubhai J Thakkar

Annexure VIII							
DETAILS OF UNSECURED LOANS: (Rs. In Lakhs)							
Particulars							
		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
1) From Promoters		1.89	1,306.98	655.68	493.44	498.44	273.44
2) From Group Companies		-	-	-	-	-	-
3) From Others		131.25	638.70	594.40	860.82	919.02	393.73
Total		133.14	1,945.68	1,250.08	1,354.26	1,417.46	667.17

Annexure IX							
STATEMENT OF OPERATING INCOME: (Rs. In Lakhs)							
		01.04.2007	01.04.2006	01.04.2005	01.04.2004	01.04.2003	01.04.2002
		To	To	To	To	To	To
		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Export Sales		8,981.13	13,644.35	889.22	571.43	-	-
Domestic Sales		55,725.36	142,442.68	123,953.70	107,058.56	49,402.71	40,421.67
Other Operating Income		337.42	162.09	159.91	707.36	328.70	1,075.27
Total		65,043.91	156,249.12	125,002.84	108,337.35	49,731.41	41,496.94

Annexure X							
STATEMENT OF OTHER INCOME							
Particulars		01.04.2007	01.04.2006	01.04.2005	01.04.2004	01.04.2003	01.04.2002
		To	To	To	To	To	To
		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Insurance Claim Receipts	R	117.38	137.15	285.85	31.63	42.47	13.53
Contract settlement Income	R	(103.74)	15.14	1.65	2.60	-	11.80
Dividend Income	R	0.19	0.18	0.22	0.15	0.04	-
Interest Income	R	-	-	-	-	154.57	129.28
Discount on Depb Licence Purchase less commission	R	1.19	104.16	133.71	441.20	131.94	16.04
Duty Draw Back	R	45.86	60.00	-	11.17	-	36.34
Insurance Charges Received	R	3.28	9.28	6.33	5.44	4.51	3.76
Misc Income	N	-	1.44	0.80	0.88	0.99	0.85
Rental Income	R	-	0.75	0.38	-	-	-
Profit from partnership firm	R	-	128.89	-	-	0.01	-
Total		64.16	457.00	428.94	493.06	334.53	211.59

Annexure XI						
STATEMENT OF CONTINGENT LIABILITIES						
Particulars	As at	As at	As at	As at	As at	As at
	As At	As At	As At	As At	As At	As At
	31-Jul-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
For letters of credit opened for which goods were in transit.	5261.92	3,237.73	2,443.95	6,402.00	1,461.00	995.00
For gurantee given to Banks.	550.00	1,390.00	1,542.81	2,056.00	1,763.00	1,188.00
For Corporate guarantee given	3,000.00	3,000.00	1,500.00	1,500.00	500.00	500.00
For Disputed Income Tax Liabilities	0.39	0.51	0.51	0.51	0.84	-
For Disputed education Cess on Custom Duties	-	-	120.00	120.00	-	-

Annexure XII							
(Rs. in Lakhs except per share data)							
FINANCIAL RATIOS ON RESTATED NUMBERS AND EARNING PER SHARE FOR THE PERIOD/ YEAR							
Particulars	01.04.2006	01.04.2006	01.04.2005	01.04.2004	01.04.2003	01.04.2002	
	To	To	To	To	To	To	
	31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003	
Net Profit after tax	1,688.39	2,680.43	1,097.45	1,800.88	1,353.93	678.35	
Weighted Average number of equity shares	18,412,500	18,412,500	18,412,500	18,412,500	17,579,692	15,810,513	
Outstanding during the year / period							
Net Worth	14,072.39	12,383.99	9,678.56	8,556.11	6,748.99	3,820.08	
Accounting Ratios							
Basic & Diluted EPS (Rs.)	27.51	14.56	5.96	9.78	7.70	4.29	
Return on Net Worth (%)	36%	22%	11%	21%	20%	18%	
Net Asset Value per Equity Share (Rs.)	76.43	67.26	52.57	46.47	38.39	24.16	
Notes:							
The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and dilutive earning per share of the Company remain the same. Company has issue 6137500 equity share as fully paid bonus on dt. 28.3.2007. The Earning per has been adusted for period / year presented. The earning per share and return on net worth ratio is annualised.							
2. The Ratio has been computed as below:							
(a) Earning Per Share (Rs.)	Net Profit as restated attributable to Equity Shareholders						
(b) Return On Net Worth (%)	Weighted Average No. of Equity Shares outstanding during the year/Period						
	Net profit After Tax as restated _____.						
	Nett Worth at the end of the Year/Period						
(c) Net Asset Value per Share (Rs.)	Net Worth at the end of the year _____.						
	No. of Equity Shares outstanding at the end of the Year/Period						

Annexure XIII			
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CAPITALISATION STATEMENT AS AT 31 JULY, 2007		(Rs. In Lakhs)	
Particulars		Pre-Issue	Post Issue *
		As at 31-07-07	
Borrowings			
Short Term Debt		8,203.81	
Long Term Debt		2,621.98	
Total Debt		10,825.79	
SHAREHOLDER'S FUNDS			
Share Capital		1,841.25	
Reserves & Surplus		12,231.14	
Less : Misc Expenditures not Written off		-	
Total Shareholders' Funds		14,072.39	
Debt / Equity Ratio		0.77	
1. The Debt / Equity ratio is calculated on Total Debt instead of Long Term Debt to Equity ratio, to present the prudent and conservative ratio as the Company does not have any material Long Term Debts.			
2.Short term debts are debts repayable within a period of 12 months.			

Annexure XIV							
STATEMENT OF TAX SHELTERS (Rs. In Lakhs)							
Particulars		01.04.2006	01.04.2006	01.04.2005	01.04.2004	01.04.2003	01.04.2002
		To	To	To	To	To	To
		31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Profit before Tax as per Books		2,564.76	3,703.62	1,592.77	2,856.14	2,133.52	956.99
Tax Rate (A)		33.99%	33.66%	33.66%	36.59%	35.88%	36.75%
Tax at Actual Rate on Book Profit (B)		871.76	1,246.64	536.13	1,045.13	765.40	351.69
Adjustments							
Permanent differences :	A						
Export Benefits							
Deduction u/s 80-IA of the Income Tax Act, 1961		-	-	-	-	-	269.97
Profit from Partnership Firm		-	128.89	-	-	-	-
Donation and other expenses to the extent disallowed		(6.85)	(13.85)	(9.20)	(13.19)	(0.84)	1.78
Total of Permanent difference		(6.85)	115.05	(9.20)	(13.19)	(0.84)	271.74
Timing Difference	B						
Difference between Tax and Book Depreciation		247.45	1,785.82	160.59	1,212.48	265.15	55.43
Profit / loss on sale of fixed assets				(3.37)	(4.30)		
Total of Timing Difference		247.45	1,785.82	157.22	1,208.18	265.15	55.43
Total	A+B	240.60	1,900.86	148.01	1,194.99	264.31	327.17
Tax Saving		81.78	639.83	49.82	437.28	94.82	120.24
Tax Liability after considering the effect of adjustments (B-D)		789.98	606.81	486.30	607.86	670.58	231.46
Interest Payable under the Act		-	15.19	0.04	12.00	22.89	0.01
Tax as per Income Tax returns		789.98	622.00	486.34	619.86	693.47	231.46
Notes:							
1. The aforesaid Statement of Tax Shelters has been prepared as per Audited accounts of Gokul Refoils & Solvent Ltd. and is not based on Profit as per Statement of Profit & Losses as Restated.							
2. The Tax Shelter Statement has been prepared considering acknowledged copied of the Income Tax Returns filed as per section 139(1) or section 153A of the Income Tax Act, 1961.							
3. The figures for the period ended on 31.07.2007 and year ended March 31, 2007 are based on the provisional computation of Total Income prepared by the Company. Since return for the same has not yet filed, it is subject to any changes which may be made between the date of this statement and the date of filing the Income Tax Returns with the Income Tax Authorities.							

Annexure XV							
Statement of Investments: (Rs. in Lakhs)							
Particulars		As At 31-07-07	As At 31-03-07	As At 31-03-06	As At 31-03-05	As At 31-03-04	As At 31-03-03
Long Term							
Govt Securities (Unquoted)							
National Saving Certificate (Pledged with Govt. Dept.)		0.43	0.43	0.41	0.35	0.25	0.25
Other (Unquoted)							
In Subsidiary Company,(Unquoted)							
Maurigo International Ltd,Mauritius		43.69	43.69	43.69	43.69	-	-
1,00,000 Ordinary Shares Of US \$ 1 each Fully Paid							
Maurigo Pte Ltd							
1 ordinary share of SGD \$ 1 fully paid							
Share application money pending for allotment		42.91					
Investment in Capital of partnership firm							
In Fixed Capital		400.00	400.00	-	-	-	-
In Current Capital		2,096.02	886.22	-	-	-	-
Gujarat Gokul Power Ltd.		2.42					
24180 Fully paid up Share of Rs. 10)							
Share of bhanudarshan co- op soci.Ltd.		-	-	-	-	-	-
1 share							
Other Investment (Quoted) Long term							
9400 Fully paid up Share of Bank of Maharastra		2.16	2.16	2.16	2.16	-	-
1400 Fully paid up Share of Punjab National Bank		0.43	0.43	0.43	0.43	0.43	0.43
5176 Fully paid up Share of Developmet Credit Bank Ltd.		1.35	1.35	-	-	-	-
Total Rs.		2,589.41	1,334.29	46.70	46.64	0.69	0.68

Annexure XVI
RELATED PARTY TRANSACTIONS

A. Name of the related parties:
For Year Period ending on 31-7-2007
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker - Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors and company are partners
Maurigo International Limited :- A Wholly Owned Subsidiary Company
Maurigo PTE LTD- A Wholly Owned Subsidiary Company
Gujarat Gokul Power Ltd. Associated Company
A. Name of the related parties:
For Year 2006-07
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker - Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors and company are partners
Maurigo International Limited :- A Wholly Owned Subsidiary Company
Maurigo PTE LTD- A Wholly Owned Subsidiary Company
For Year 2005-06
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker-Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors are partners
Maurigo International Limited :- A Wholly Owned Subsidiary Company
For Year 2004-05
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker-Director
Mrs. J.J.Thakker-Director

2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors are partners
Maurigo International Limited :- A Wholly Owned Subsidiary Company
For Year 2003-04
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mr. C.M.Rajput-Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker- Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokl Overseas- A Partnership firm in which some of directors are partners
For Year 2002-03
1. Key Managerial Personnel:
Mr. B.C.Rajput-Chaiman & Managing Director
Mr. K.J.Thakker-Director
Mr. D.H.Shama -Whole Time Director
Mr. C.M.Rajput-Director
Mrs. B.B.Rajaput-Director
Mrs. M.K.Khakker- Director
Mrs. J.J.Thakker-Director
2. Associate Concerns
Gokul Overseas- A Partnership firm in which some of directors are partners

B. Transaction with related parties:						
Particulars	31.07.2007	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
In Relation to (1) above						
Sales/ Job work Income						
Purchase of Goods						
Rent Paid						
Interest Paid	-	-	-	0.21	0.72	1.04
Salary And Bonus	66.69	51.88	51.88	103.38	62.89	20.89
Guarantee Given						
Subscription of Share						
Receipts of Loans	71.95	1,315.41	908.51	-	-	600.00
Payment of Loans	1890.15	616.47	1,013.39	42.50	2.23	303.12
Bonus Share Issued	-	493.35	-	-	-	-
In Relation to reletive of (1) above						
Sales/ Job work Income	-	-	-	-	-	-
Purchase of Goods						
Rent Paid	-	-	-	-	-	-
Interest Paid	-	1.37	1.05	1.92	2.94	5.98
Salary And Bonus	0.72	2.89	2.74	8.73	7.23	6.04
Guarantee Given						
Subscription of Share						
Receipts of Loans	4.13	-	-	-	-	-
Payment of Loans	0.34	-	0.25	-	-	-
Bonus Share Issued	-	5.60	-	-	-	-
In Relation to reletive of (2) above						
Sales/ Job work Income	-	613.49	2,551.49	1,290.34	2,593.35	1,500.52
Purchase of Goods	4,097.30	11.58	34.74	9.01	11.33	14.82
Rent Paid	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-
Salary And Bonus						
Guarantee Given	3,000.00	3,000.00	1,500.00	1,500.00	500.00	500.00
Subscription of Share/Invetment	1255.13	1,286.22	-	43.49	-	-
Receipts of Loans						
Payment of Loans						
Loans and Advances Given	172.38					
Bonus Share Issued						

Annexure XVII					
SUMMARY OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED: (Rs. In Lakhs)					
Particulars		As at 31-Jul-07	As at 31-Mar-07	As at 31-Mar-06	As at 31-Mar-05
A FIXED ASSETS					
Gross Fixed Assets		13,326.14	12,693.03	7,361.92	6,371.36
Less : Accumulated Depreciation		2,677.86	2,339.00	1,528.28	920.00
Net Fixed Assets		10,648.28	10,354.03	5,833.64	5,451.35
Capital Work In Progress		1,624.60	1,193.91	1,102.83	62.41
Total		12,272.88	11,547.94	6,936.47	5,513.76
B INVESTMENTS		2,502.81	1,290.60	3.01	-
C CURRENT ASSETS, LOANS & ADVANCES					
Inventories		26,096.06	16,366.80	9,920.03	8,293.96
Sundry Debtors		7,458.24	9,863.93	4,866.43	4,129.37
Cash & Bank Balances		7,225.72	5,080.02	5,791.83	9,752.91
Loans & Advances		3,611.84	1,857.41	1,638.16	1,567.09
Total		44,391.87	33,168.16	22,216.45	23,743.33
D LIABILITIES AND PROVISIONS					
Secured Loans		10,692.65	7,012.63	1,702.50	1,842.51
Unsecured Loans		133.14	1,945.68	1,250.09	1,354.26
Deferred Tax Liability		1,110.56	1,025.67	633.17	638.52
Current Liabilities		30,976.95	23,026.00	15,366.06	16,083.97
Provisions		1,573.14	362.35	143.38	549.75
Total		44,486.44	33,372.33	19,095.20	20,469.01
E NET ASSETS (C - D)		(94.57)	(204.17)	3,121.25	3,274.32
F NET WORTH (A + B + E)		14,681.12	12,634.37	10,060.73	8,788.08
Represented by					
Share Capital		1,841.25	1,841.25	1,227.50	1,227.50
Reserve & Surplus		12,839.87	10,793.12	8,833.23	7,563.52
		14,681.12	12,634.37	10,060.73	8,791.02
Less : Miscellaneous Expenses Not W/off		-	-	-	-
G NET WORTH		14,681.12	12,634.37	10,060.73	8,791.02
Note: The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure –XIX to the Report.					

Annexure XVIII					
SUMMARY CONSOLIDATED PROFIT & LOSSES FOR PERIOD/YEAR AS RESTATED: (Rs. In Lakhs)					
Particulars		01.04.2007	01.04.2006	01.04.2005	01.04.2004
		To	To	To	To
		31.07.2007	31.03.2007	31.03.2006	31.03.2005
Income					
Sales & Operating Incomes		55,291.44	126,528.71	105,431.86	91,570.96
Of products manufactured by					
The Company					
Of products traded by		9,992.57	29,816.90	19,572.39	16,766.37
The Company					
Other Income		506.95	344.15	571.56	734.21
Increase / (Decrease) in Stock		410.93	3,296.85	396.80	3,268.14
Total Income		66,201.88	159,986.61	125,972.61	112,339.68
Expenditure					
Raw Material Consumed / Cost of Traded Goods		56,789.55	141,309.45	114,680.16	102,603.77
Manufacturing Expenses		714.47	2,341.72	1,466.22	1,353.89
Payment & Provision for Employess		161.06	379.40	309.14	230.19
Administrative & Other Expenses		408.14	751.53	1,249.92	459.30
Selling & Distribution Expenses		3,771.18	8,842.82	5,088.64	3,656.39
Financial Charges		994.07	1,948.87	839.25	449.88
Depreciation & Amortization		338.86	830.14	611.81	495.21
Total Expenditure		63,177.33	156,403.94	124,245.14	109,248.63
Profit for the Period		3,024.55	3,582.67	1,727.47	3,091.05
Add / (Less) : Prior Period Items		-	-	-	-
Profit Before Tax		3,024.55	3,582.67	1,727.47	3,091.05
Add / (Less) : Provision for Tax					
Current Tax		869.17	630.57	489.14	615.00
Earlier Years		-	9.04	7.50	23.27
Deferred Tax Liability / (Assets)		84.89	392.50	(5.35)	429.10
Profit After Taxation as per Audited Accounts (A)		2,070.49	2,550.56	1,236.18	2,023.67
Impact of Change in Accounting Policies and Estimates					
Short Provision for Taxation		-	(9.04)	(2.66)	(18.36)
Prior Period Adjustments		-	-	-	-
Foreign Currency Transactions		-	-	-	-
Total Impact of Adjustment		-	(9.04)	(2.66)	(18.36)
Net Profit as Restated		2,070.49	2,541.52	1,233.52	2,005.31
Profit & Loss a/c. at the beginning of the year		8,582.37	6,040.85	4,807.33	2,802.02
Earlier Year Deffered Tax		-	-	-	-
Balance available for appropriations, as restated		10,652.86	8,582.37	6,040.85	4,807.33
Appropriation					
Proposed Dividend on Equity shares		-	-	-	-
Tax on Dividend		-	-	-	-
Transfer to General Reserve		-	-	-	-
Balance Carried forward as restated		10,652.86	8,582.37	6,040.85	4,807.33
Notes: The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure-XIX to the Report .					

Annexure XIX

NOTES TO CONSOLIDATED RESTATED STATEMENT OF ASSETS AND LIABILITIES AND CONSOLIDATED RESTATED STATEMENT OF PROFIT AND LOSS, AS RESTATED

1. The consolidated summary restated statement of Assets and Liabilities and Profit and loss ("Consolidated summary statements") include financial statements of Gokul Refoils And Solvent Ltd.(The Parent) and it's wholly owned Subsidiaries Maurigo International Ltd, Mauritius, Maurigo Pte. Ltd, Singapore and associates company Gujarat Gokul Power Ltd. (GGPL).
2. The parent company holds 100% of paid-up equity share capital of Maurigo International Ltd, Mauritius. The financial results of the Company have been consolidated from the financial year 2004-05.
3. The parent company holds 100% of paid-up equity share capital of Maurigo Pte. Ltd, Singapore. The financial results of the Company have been consolidated from the financial year 2006-07.
4. The investment in associates company has been accounted as per the equity method as prescribed in Accounting Standard – 23 issued by The Institute of Chartered Accountants of India. The company holds 48% paid up equity share capital in associates company Gujarat Gokul Power Ltd.
5. These consolidated summary statement are prepared solely for the purpose of their inclusion in the offer document, in accordance with the principles and procedure prescribed by Accounting Standard 21-"Consolidated Financial Statements" (AS-21) issued by the Institute of Chartered Accountants of India (ICAI) for the purpose of preparation and presentation of consolidated financial statements.
6. The consolidated summary statement have been extracted by the management based on the restated financial statements of the parent company (refer Annexure 1 & 2) and its subsidiaries for the respective years.
7. The restated financial statement of the parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balance/ transactions and resulting unrealized profit in full. The amounts shown in respect of accumulated reserves comprised the amount of the relevant reserves as per the balance sheet of the parent Company and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.
8. As far as possible the Consolidated financial Statements are prepared using uniform accounting policies for like transactions and other event in similar circumstances and are presented in the same manner as the company's separate financial statements.

FINANCIAL INFORMATION OF GROUP COMPANIES

1. Gokul Textile Private Limited

Gokul Textile Private Limited ("GTPL") was incorporated on September 21, 2005. It has its registered office at Ground Floor, "GOKUL HOUSE", 43-Shreemali Co-op. Housing Society Ltd., Opp. Shikhar Building, Navrangpura, Ahmedabad - 380 009.

Main object of GTPL

The main object of GTPL is to act as distributors, exporters, importers, agents and to undertake and carry on any or all the trades and business of ginner, packers, balers, spinners, weavers, processors and manufacturers of all types of yarn, fibres, fabrics, cotton, synthetics, wool, silk, flax, hemp, jute, cellulose and non-cellulose products, nylon, polyester whether textile, netted or looped and also fibrous or textile substances.

Shareholding Pattern

The share holding pattern of GTPL as on September 30, 2007 is as follows:

Sr. No.	Name of Shareholders	No. of Shares	Percentage of Shareholding
1	Mr. Balvantsinh Rajput	2750	27.50%
2	Mr. Kanubhai Thakkar	2750	27.50%
3	Mr. Narendra Modh	4500	45.00%
	Total	10,000	100.00%

Board of Directors

The Board of Directors of GTPL as of September 30, 2007 is as follows:

1. Mr. Balvantsinh Rajput
2. Mr. Kanubhai Thakkar and
3. Mr. Narendra Modi

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007*	For the year ending March 31, 2006*	For the year ending March 31, 2005*
Paid up Equity Share Capital	1.00	1.00	-
Reserve and Surplus (excluding Revaluation Reserve)	0.42	0.32	-
Sales and other income	385.60	423.77	-
Profit/ (loss) after tax	0.10	0.32	-
Earning per share (EPS) Rs.	0.90	3.21	-
Net asset value (NAV)	1.25	1.10	-

*Audited

The equity shares of GTPL are not listed on any stock exchange. Further, GTPL is not a sick company within the meaning of the SICA and is not under winding up.

2. Profitline Securities Private Limited.

Profitline Securities Private Limited ("PSPL") was incorporated on January 23, 1996. It has its registered office at 91, Netaji Subhash Road, 2nd Floor, Kolkata, West Bengal – 700 001. It is a RBI registered NBFC.

Main object of PSPL

Currently the company is in the business of trading and investing of shares and securities though the main object of PSPL is to carry on the business of merchant banking in all its aspects, to act as financial consultant, portfolio management activities, to obtain membership or dealership of any stock exchange in the country, to act as a registrar, transfer agent for securities, to manage and administer computer centres and clearing houses for securities, to syndicate financial agreements including underwriting whether in domestic or international markets and whether by way of debentures, loans or guarantee, or export or yarn credits, and other commercial papers to accept, discount and deal in and to arrange and/or coordinate documentation and negotiation in this regard, to make investments of all kinds and generally to tender all kinds of financial services whether fund based or non-based or non fund based.

Shareholding Pattern

The share holding pattern of PSPL as on September 30, 2007 is as follows:

Sr. No.	Name of Shareholders	No. of Shares	Percentage of Shareholding
1	Mr. Jayesh Thakkar	20,00,000	50.00
2	Mr. Dharmendra Rajput	20,00,000	50.00
	Total	40,00,000	100.00

Board of Directors

The Board of Directors of PSPL as of September 30, 2007 is as follows:

1. Mr. Pradeep Singh
2. Mr. L. K. Pandey

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007*	For the year ending March 31, 2006*	For the year ending March 31, 2005*
Paid up Equity Share Capital	400.00	400	400
Reserve and Surplus (excluding Revaluation Reserve)	972.00	970.24	969.82
Sales and other income	2.30	0.72	0.90
Profit/ (loss) after tax	1.76	0.42	0.68
Earning per share (EPS) Rs.	0.04	0.01	Nil
Net asset value (NAV)	1371.37	1369.45	1368.87

*Audited

The equity shares of PSPL are not listed on any stock exchange. Further, PSPL is not a sick company within the meaning of the SICA and is not under winding up.

3. Shantiniketan Financial Services Private Limited.

Shantiniketan Financial Services Private Limited ("SFSPL") was incorporated on January 29, 1996. It has its registered office at 91, Netaji Subhash Road, 2nd Floor, Kolkota – 700 001. It is a RBI registered NBFC.

Main object of SFSPL

Currently the company is in the business of trading and investing of shares and securities though the main object of SFSPL is to carry on the business of merchant banking in all its aspects, to act as financial consultant, portfolio management activities, to obtain membership or dealership of any stock

exchange in the country, to act as a registrar, transfer agent for securities, to manage and administer computer centres and clearing houses for securities, to syndicate financial agreements including underwriting whether in domestic or international markets and whether by way of debentures, loans or guarantee, or export or yarn credits, and other commercial papers to accept, discount and deal in and to arrange and/or coordinate documentation and negotiation in this regard, to make investments of all kinds and generally to tender all kinds of financial services whether fund based or non-based or non fund based.

Shareholding Pattern

The share holding pattern of SFSPL as on September 30, 2007 is as follows:

Sr. No.	Name of Shareholders	No. of Shares	Percentage of Shareholding
1	Mr. Jayesh Thakkar	20,70,000	50.09
2	Mr. Dharmendra Rajput	20,62,300	49.91
	Total	41,32,300	100.00%

Board of Directors,

The Board of Directors of SFSPL as of September 30, 2007 is as follows:

1. Mr. Pradeep Singh
2. Mr. L. K. Pandey

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007*	For the year ending March 31, 2006*	For the year ending March 31, 2005*
Paid up Equity Share Capital	413.23	413.23	413.23
Reserve and Surplus (excluding Revaluation Reserve)	1185.71	1185.71	1185.71
Sales and other income	Nil	Nil	Nil
Profit/ (loss) after tax	(0.57)	(0.34)	(0.26)
Earning per share (EPS) Rs.	Nil	Nil	Nil
Net asset value (NAV)	1595.80	1596.21	1596.37

*Audited

The equity shares of SFSPL are not listed on any stock exchange. Further, SFSPL is not a sick company within the meaning of the SICA and is not under winding up.

The Company has made a loss of Rs. 0.57 Lacs in the immediately preceding year.

4. Intra Oils and Grains Private Limited.

Intra Oils and Grains Private Limited (“**IOGPL**”) was incorporated on June 14, 2002. It has its registered office at 3, Neelkamal Chambers, Opp. Sales India, Ashram Road, Ahmedabad – 380 009.

Main object of

The main object of IOGPL is to carry on the business as dealers, traders, whole sellers, purchasers, sellers, importers, exporters, marketers, distributors, agents, packers, manufacturers, processors, suppliers, brokers in all types, kinds and nature of commodities such as edible and non edible oils, foods and food products.

Shareholding Pattern

The share holding pattern of IOGPL as on September 30, 2007 is as follows:

Sr. No.	Name of Shareholders	No. of Shares	Percentage of Shareholding
1	Mr. Kanubhai Thakkar	4,000	40%
2	Mr. Hareshkumar Bhatt	3,000	30%
3	Mr. Pallipuram Viswanath	3000	30%
	Total	10,000	100%

Board of Directors

The Board of Directors of IOGPL as of September 30, 2007 is as follows:

1. Mr. Kanaiyalal Modi
2. Mr. Hareshkumar Bhatt

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007*	For the year ending March 31, 2006*	For the year ending March 31, 2005*
Paid up Equity Share Capital	1.00	1.00	1.00
Reserve and Surplus (excluding Revaluation Reserve)	Nil	(1.50)	0.50
Sales and other income	Nil	Nil	2.26
Profit/ (loss) After Tax	Nil	(1.50)	0.05
Earning per share (EPS) Rs.	Nil	Nil	0.47
Net asset value (NAV)	Nil	Nil	1.40

*Audited

The equity shares of IOGPL are not listed on any stock exchange. Further, IOGPL is not a sick company within the meaning of the SICA and is not under winding up.

5. Gujarat Gokul Power Limited

Gujarat Gokul Power Limited ("GGPL") was incorporated on March 16, 2007. It has its registered office at "Gokul House", 3rd Floor, 43, Shreemali Society, Opp. Shikhar Building, Navrangpura, Ahmedabad 380009.

Main object of Gujarat Gokul Power Limited

The main object of GGPL is to set up, generate, receive, purchase, develop, use, supply, distribute and accumulate electric power at any power stations, site or sites and to transmit, distribute and supply such power through transmission lines and facilities of the State Electricity Board/s or any other company, organization, Government/ private or otherwise to all the consumers in general and generally to develop and generate and accumulate power at any other place or places and to transmit, distribute, sell and supply such power serving the business interest of the company.

Shareholding Pattern

The share holding pattern of GGPL as on September 30, 2007 is as follows:

Sr. No.	Name of Shareholders	No. of Shares	Percentage of Shareholding
1	Mr. Balvantsinh Rajput holding as a nominee of Gokul Refoils and Solvent Limited.	24,180	48.36%
2	Mr. Kanubhai Thakkar	24,000	48.00%
3	Mrs. Bhikhiben Rajput	600	1.2%

4	Mr. Ajaykumar Thakur	10	0.02%
5	Mr. Dinesh Misra	10	0.02%
6	Mrs. Hansaben Rajput	600	1.2%
7	Mrs. Manjulaben Thakkar	600	1.2%
	Total	50,000	100.00%

Board of Directors

The Board of Directors of GGPL as of September 30, 2007 is as follows:

1. Mr. Ajaykumar Thakur
2. Mr. Dinesh Misra
3. Mr. Balvantsinh Rajput
4. Mrs. Manjulaben Thakkar
5. Mrs. Bhikhiben Rajput
6. Mr. Kanubhai Thakkar

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007*
Paid up Equity Share Capital	5.00
Reserve and Surplus (excluding Revaluation Reserve)	Nil
Sales and other income	Nil
Profit/ (loss) after tax	Nil
Earning per share (EPS) Rs.	Nil
Net asset value (NAV)	4.75

*Audited

The equity shares of GGPL are not listed on any stock exchange. Further, GGPL is not a sick company within the meaning of the SICA and is not under winding up.

The Company was incorporated on March 16, 2007. The operations started

Partnership Firms**6. M/s. Gokul Overseas**

M/s Gokul Overseas ("GO"), a partnership firm was constituted vide partnership deed dated April 1, 1995. It has its principal place of business at Highway Road, Nr. Sujanpur Patia, Sidhpur. It carries on the business of exporting De-Oiled Cake, Oil Cake etc.

Partners as on August 31, 2007

The partners of GO are as follows:

Sr. No.	Name of Partners	Profit /Loss sharing ratio
1	Mr. Balvantsinh Rajput	21.25%
2	Mr. Kanubhai Thakkar	21.25%
3	Mrs. Bhikhiben Rajput	21.25%
4	Mrs. Manjulaben Thakkar	21.25%
5	Gokul Refoils and Solvent limited	15.00%
	Total	100.00%

Financial Performance

(Rs. In lacs)

Particulars	For the year ending March 31, 2007*	For the year ending March 31, 2006*	For the year ending March 31, 2005*
Partnership Capital	3192.96	927.20	339.42
Total Income	20506.24	4137.92	6398.12
Profit/ (loss) after tax	859.29	1.59	62.89

*Audited.

Proprietary Concern**7. M/s. Kisan Cycle Stores**

M/s Kisan Cycle ("KC") is a proprietary concern of Mr. Tarachand Thakkar and having its principal place of business at Station Road, Sidhpur. It carries on the business of trading in cycles.

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007 *	For the year ending March 31, 2006 *	For the year ending March 31, 2005 *
Proprietor's Capital	2.35	2.14	2.14
Total Income	9.03	7.52	7.76
Net Profit/ (loss)	0.72	0.63	0.60

*Unaudited.

8. M/s. Shri Ram Kirana Bhandar

M/s Shri Ram Kirana Bhandar ("SRKB") is a proprietary concern of Mulchand Vasvani and having its principal place of business at Mangrol, Junagadh. It carries on the business of trading in oil.

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007 *	For the year ending March 31, 2006 *	For the year ending March 31, 2005 *
Proprietor's Capital	6.27	5.42	4.33
Total Income	208.18	197.91	122.55
Net Profit/ (loss)	1.51	1.57	0.95

*Unaudited.

9. M/s. Santkrupa Traders

M/s. Santkrupa Traders ("SKT") is a proprietary concern of Hareshkumar Vasvani and having its principal place of business at Mangrol, Junagadh. It carries on the business of retailing of grocery products.

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007 *	For the year ending March 31, 2006 *	For the year ending March 31, 2005 *
Proprietor's Capital	5.42	4.69	4.76
Total Income	15.56	22.33	35.32
Net Profit/ (loss)	1.13	0.76	1.01

*Unaudited.

Hindu Undivided Family

10. Rajput Balvantsinh Chandansinh HUF

Rajput Balvantsinh Chandansinh HUF ("RBC") is an HUF with Mr. Balvantsinh Rajput as its Karta and having its address at Near Sujapur Patia, Highway Road, Sidhpur.

Financial Performance

(Rs. in lacs)

Particulars	For the year ending March 31,2007 *	For the year ending March 31,2006 *	For the year ending March 31,2005 *
HUF Capital Account	57.21	57.26	57.44
Total Income	0.02	0.005	0.003
Net Profit/ (loss)	0.02	0.005	0.003

*Unaudited.

11. Thakkar Kanubhai Jivatram HUF

Thakkar Kanubhai Jivatram HUF ("TKJ") is an HUF with Mr. Kanubhai Thakkar as its Karta and having its address at Near Sujapur Patia, Highway Road, Sidhpur.

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007*	For the year ending March 31,2006 *	For the year ending March 31,2005 *
HUF Capital Account	57.17	57.30	57.72
Total Income	0.00	0.005	0.09
Net Profit/ (loss)	0.00	0.005	0.09

*Unaudited.

12. Rajput Chandansinh Madhusinh HUF

Rajput Chandansinh Madhusinh HUF ("RCM") is an HUF with Mr. Chandansinh Madhusinh as its Karta and having its address at Near Sujapur Patia, Highway Road, Sidhpur.

Financial Performance

(Rs. in Lacs)

Particulars	For the year ending March 31, 2007*	For the year ending March 31,2006 *	For the year ending March 31,2005 *
HUF Capital Account	6.84	6.64	5.40
Total Income	0.22	0.25	0.08
Net Profit/ (loss)	0.20	0.25	0.08

*Unaudited.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our aggregate borrowings (fund and non fund based) as on 30 September 2007:

Sr. No.	Nature of borrowing/facility	Loan Amount (Rs. in lacs.)	Interest rate and repayment	Amount outstanding as on 30 September 2007 (Rs. In lacs.)	Security
1.	(i) FBWC (ii) NFBWC (LC / BG) (iii) SLC (iv) RTL Dated 8 January 2007 from State Bank of India to Gokul Refoils and Solvent Limited	1000 14000 500 1325	TL - 1% below SBAR with a minimum of 10.50% p.a. CC - 1% below SBAR with a minimum of 10.50% p.a. EPC – as per banks instructions/ RBI guidelines Repayment: WC – repayable on demand Term Loan I – in 20 quarterly instalments of Rs.31.25 lakhs Repayment has to be made by June 2009. Term Loan II– in 20 quarterly instalments of Rs.31.25 lakhs each from 1 June 2007. Interest rate will be charged to the account at monthly rests. Interest rate is subject to change in SBAR and spread over SBAR.	EPC- 1006.58 FLC- 13476.43 Bank Guarantee- 512.03 Term Loan I- 530.07 Term Loan II- 599.76	Primary security 1) Working capital First charge on current assets of the Company on pari passu basis with Consortium Banks 2) Term Loan First charge on immovable and movable fixed assets of the Company at Gandhidham unit purchased out of bank finance on pari passu basis with Punjab National Bank Collateral security 1) Working Capital (a) Second charge on pari passu basis over all immovable and movable fixed assets of the Company at Gandhidham unit (b) Second charge on pari passu basis over all assets of windmill financed by State Bank of Travancore (c) Second charge on pari passu basis over the fixed assets of proposed project at Sidhpur unit as well as on windmills installed at Kadoli site, Kutch 2) Term Loan (a) Second charge on pari passu basis over all current assets of the Company

					3) Both Working Capital and Term Loan (a) Charge on pari passu basis over all immovable and movable fixed assets of the Company at Sidhpur unit (b) Charge on pari passu basis over all office premises and assets belonging to Gokul Overseas at Ahmedabad (c) Charge on pari passu basis over land and structure thereon and other assets belonging to Gokul Overseas at Sidhpur (d) Charge on pari passu basis over fixed assets of the Company's office premises at Ahmedabad (e) Pledge of 20,00,000 shares of Gokul Refoils and Solvent Limited belonging to Mr. BC Rajput and Mr. Kanubhai Thakker Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker Corporate Guarantor: M/s Gokul Overseas
2.	(i) Letter of Credit, Letter of Guarantee (ii) Packing credit, FOBP/FOUBP (iii) Term Loan Dated 27 April 2007 from Punjab National Bank to Gokul Refoils and Solvent Limited	6825 500 750	As per schedule of the Bank BPLR -3.75% = 8.50% p.a. Interest is payable at 11.5%. Repayment has to be made by July 2009.	FLC, Ceiling- 10503.87 PC-498.28 Term Loan- 264.98	<u>Primary Security</u> 1) Shipping documents, including bills of lading covering imported raw materials, stores, spares. 2) Current assets of the Company 3) (a) Hypothecation of stock of raw materials, stock in process, finished goods, stores and spares meant for exports.

					(b) Deposit of original irrevocable LC of approved Bank/firm order. 4) Foreign documentary demand/ Usance Bills accompanied by documents of title deeds i.e., Bills of Lading. <u>Collateral Security</u> 1) Second charge on pari passu basis over all immovable and movable fixed assets of the Company at Gandhidham unit. 2) Pari passu basis over all immovable and movable fixed assets of the Company at Sidhpur unit. 3) Pari passu basis over office premises and other assets of Gokul Overseas at Ahmedabad. 4) Pari passu basis over land and structure thereon and other assets of Gokul Overseas at Sidhpur. 5) Pari passu basis over fixed assets of the Company's office premises at Ahmedabad. 6) Pledge of 20, 00, 000 shares of Gokul Refoils and Solvent Limited of Mr. BC Rajput and Mr. Kanubhai Thakker. Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker Corporate Guarantor: M/s Gokul Overseas
3.	(i)EPC/FBP/FUBD/FBNLC (ii) Letter of Credit Dated 7 March 2007 from	1000 5000	Export credit (In Rs.) Pre-shipment credit: Up to 180 days - 3.25% below	CCL EPC- 998.24 L/C- 5243.00	<u>Primary Security</u> (i)_Parri passu charge with Consoritum Banks over all current assets of the Company.

	State Bank of Indore to Gokul Refoils and Solvent Limited		BPLR i.e., 9.50% p.a. Beyond 180 days and up to 270 days – 1.50 % below BPLR i.e., 11.25% p.a. Post shipment credit: Demand Bills for transit period - 3.25% below BPLR i.e., 9.50% p.a. Usance Bills: Up to 90 days 3.25% below BPLR i.e., 9.50% p.a. Beyond 90 days and up to 6 months – 1.50% below BPLR i.e., 11.25% p.a.		(ii) (a) Documents of title to goods, raw materials/stores etc. (b) Charge over current assets of the Company. (c) Application cum Indemnity letters <u>Collateral Security</u> (i) Working Capital (a) Second charge on pari passu basis over all immovable and movable fixed assets of the Company at Gandhidham unit. (b) Second charge on pari passu basis over all assets of windmill financed by State Bank of Travancore (c) Second charge on pari passu basis over the fixed assets of proposed project at Sidhpur unit as well as on windmills installed at Kadoli site, Kutch (d) Charge on pari passu basis over all immovable and movable fixed assets of the Company at Sidhpur unit (e) Pari passu basis over office premises and other assets of Gokul Overseas at Ahmedabad (f) Pari passu basis over land and structure thereon and other assets of Gokul Overseas at Sidhpur. (g) Pari passu basis over fixed assets of the Company's office premises at Ahmedabad.
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					(h) Pledge of 20, 00, 000 shares of Gokul Refoils and Solvent Limited of Mr. BC Rajput and Mr. Kanubhai Thakker. (ii) Same as for WC limits Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker Corporate Guarantor: M/s Gokul Overseas
4.	(i) Import/ Inland L/C (ii) EPC,FDBP, FUDBP (iii) Term Loan Dated 23 August 2006 from Union Bank of India to Gokul Refoils and Solvent Limited	2000 5000 9000	70% of the applicable commission As per Bank's guidelines BPLR-1% i.e., 10.50% at present Repayment: Term Loan: in 60 monthly instalments commencing from the next month of installation of WTGs.	IMP/INL L/C- 1970.68 EPC- 457.99 FDBP- 41.95 Term Loan- 812.90	<u>Primary Security</u> (i) Hypothecation of stock received under L/C on pari passu basis. (ii) Hypothecation of raw material, stock in progress and finished goods meant for exports and export bills on pari passu basis. (iii) Exclusive first charge on two WTGs financed through the term loan; second charge on current assets of the Company <u>Collateral Security</u> First charge on pari passu basis over: 1) Land and building excluding Gandhidham unit 2) Plant and machinery excluding Gandhidham unit 3) Furniture fixtures 4) Pledge of 20, 00, 000 shares of Gokul Refoils and Solvent Limited of Mr. BC Rajput and Mr. Kanubhai Thakker Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker

5.	(i) CCH/PCH/FBD/FBN Dated 24 June 2006 from Dena Bank to Gokul Refoils and Solvent Limited	500	BPLR +1% i.e., 12.5% p.a. at present subject to change as per HO circulars/RBI directives from time to time	501	<u>Primary Security</u> Hypothecation of stock of goods and all book debts <u>Collateral Security</u> (a) Second charge on pari passu basis over all immovable and movable fixed assets of the Company at Gandhidham unit. (b) First charge on pari passu basis over all immovable and movable fixed assets of the Company at Sidhpur unit. (c) First charge on pari passu basis over office premises and other assets of Gokul Overseas at Ahmedabad. (d) First charge on pari passu basis over land and structure thereon and other assets of Gokul Overseas at Sidhpur. (e) First charge on pari passu basis over fixed assets of the Company's office premises at Ahmedabad. (f) Pledge of 50% of 20, 00, 000 shares of Gokul Refoils and Solvent Limited of Mr. BC Rajput and Mr. Kanubhai Thakker. Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker Corporate Guarantor: M/s Gokul Overseas
6.	(i) Foreign L/C Stand by LC (ii) Bank Guarantee Dated 14 November 2005 from Central Bank of India to Gokul Refoils and	3525 375	As per RBI/CO directives from time to time, 7% p.a. at present Concession in L/C charges in line with SBI, Lead Bank	3173.43	<u>Primary Security</u> (i) Hypothecation of current assets of the Company on pari passu basis and documents of title to goods under L/C (ii) Hypothecation of current assets of Company on pari passu basis and

	Solvent Limited		Concession of 25% in commission on bank guarantee		counter guarantee of Company <u>Collateral Security</u> (a) Second charge on pari passu basis over all immovable and movable fixed assets of the Company at Gandhidham unit (b) Charge on pari passu basis over all immovable and movable fixed assets of the Company at Sidhpur unit (c) Charge on pari passu basis over office premises and other assets of Gokul Overseas at Ahmedabad. (d) Charge on pari passu basis over land and structure thereon and other assets of Gokul Overseas at Sidhpur. (e) Charge on pari passu basis over fixed assets of the Company's office premises at Ahmedabad. (f) Pledge of 20, 00, 000 shares of Gokul Refoils and Solvent Limited of Mr. BC Rajput and Mr. Kanubhai Thakker. (g) Second charge on pari passu basis over all the assets of windmill. Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker Corporate Guarantor: M/s Gokul Overseas
7.	(i) Import L/C (ii) Bank Guarantee (iii) Cash Credit/EPC/FDBP (iv) Term Loan	1550 700 500 500	30% concession on SBI standard rates BPLR less 4.25% i.e., 10.50% at present BPLR less 4.25% i.e., 10.50% at	1852.37 499.91 441.67	<u>Primary Security</u> (a) First charge on pari passu basis with Consortium Banks over current assets of the Company (b) Bills drawn under L/C (c) First charge on pari passu basis on fixed assets of the Company for the term loans <u>Collateral Security</u> (a) Second charge on pari passu basis over all

	Dated 27 October 2006 from Development Credit Bank Limited to Gokul Refoils and Solvent Limited		present Repayment: (i) On respective due dates/annual review (ii) On respective due dates/annual review (iii) On demand/annual review (iv) 60 equal monthly instalments of Rs.8.34 lakhs each to commence from 1 month from the date of disbursement Interest rate will be charged to the account at monthly rests. The rate of interests is subject to change as may be notified by the bank from time to time.		immovable and movable fixed assets of the Company at Gandhidham unit. (b) Charge on pari passu basis over all immovable and movable fixed assets of the Company at Sidhpur unit. (c) Charge on pari passu basis over fixed assets of the Company's office premises at Ahmedabad. (d) Pledge of 20, 00, 000 shares of Gokul Refoils and Solvent Limited of Mr. BC Rajput and Mr. Kanubhai Thakker. (e) Second charge on pari passu basis over all assets of windmill. (f) Land and building owned by the Company adjacent to the plant of the Company. (New property offered in lieu of the property of Gokul Overseas, which is sought to be released) Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker Corporate Guarantor: M/s Gokul Overseas
8.	(i) Import L/C Dated 21 October 2005 from Bank of Maharashtra to Gokul Refoils and Solvent Limited	1600		1596.19	<u>Primary Security</u> Hypothecation of current assets of the Company on pari passu with Consortium Banks <u>Collateral Security</u> (a) Second charge on pari passu basis over all immovable and movable fixed assets of the Company at Gandhidham unit. (b) Charge on pari passu basis over all immovable and movable fixed assets of the Company at Sidhpur unit.

					(c) Charge on pari passu basis over office premises and other assets of Gokul Overseas at Ahmedabad. (d) Charge on pari passu basis over land and structure thereon and other assets of Gokul Overseas at Sidhpur. (e) Charge on pari passu basis over fixed assets of the Company's office premises at Ahmedabad. (f) Second charge on pari passu basis over all assets of windmill. Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker Corporate Guarantor: M/s Gokul Overseas
9.	(i) EPC/FDBP/FBEP (ii) Term Loans (iii) L/C (iv) SLC Dated 10 April 2007 from State Bank of Travancore to Gokul Refoils and Solvent Limited	1000 820 3000 450	Cash Credit - 1.75% above SBT PLR, minimum 14.75% p.a. with monthly rests. The revision of interest according to the rise and fall of SBT PLR fixed by the Bank from time to time is binding on the borrower as advised by the Bank. The Bank has the right to revise the rate of interest other than on the basis of SBT PLR from time to time.	EPC/PCFC- 536.76 FDBP- 454.49 (FPC- 416.51) Term Loan (Short term)- 694.12 FLC- 22.70 Buyers Credit- 3376.03 (FSC- 3298.42)	Working Capital <u>Primary Security</u> Hypothecation of current assets of the Company on pari passu basis with Consortium Banks. <u>Collateral Security</u> (a) Second charge on pari passu basis over all immovable and movable fixed assets of the Company at Gandhidham unit. (b) Second Charge on pari passu basis over all immovable and movable fixed assets of the Company at Sidhpur unit. (c) Charge on pari passu basis over fixed assets of the Company's office premises at Ahmedabad. (d) Second charge on pari passu basis over all assets of windmill financed by State Bank of Travancore. (e) Second charge on

					pari passu basis over the fixed assets of proposed project at Sidhpur unit as well as on windmills to be purchased at Kadoli site, Kutch. (f) Pledge of 20, 00, 000 shares of Gokul Refoils and Solvent Limited of Mr. BC Rajput and Mr. Kanubhai Thakker. (g) Survey No. 388/1, 389/1 and 390/1 (land) situated at Sidhpur unit. Letter of Credit <u>Primary Security</u> (a) Documents to title to goods under L/C (b) All the security obtained for WC limit extended. <u>Collateral Security</u> All the security obtained for WC limit extended. Personal Guarantors: BB Rajput, BC Rajput, Kanubhai Thakker, Manjulaben Thakker Corporate Guarantor: M/s Gokul Overseas
10.	(i) Short term Loan Dated 25 September 2007 from Industrial Development Bank of India Limited to Gokul Refoils and Solvent Limited	1000	Interest is payable at 10.50% p.a. Repayment is due before 5 September 2008	Nil	<u>Primary Security</u> Pledge of warehouse receipt duly discharged by Gokul Refoils and Solvent Limited and registration of lenders charge with authorised warehouse. <u>Collateral Security</u> NIL Personal Guarantors: BC Rajput, Kanubhai Thakker
11.	Financing against Warehouse Receipts Dated 28 March 2007 from Bank of India to Gokul Refoils and Solvent Limited	1500	Interest is payable at 1.50% below BPLR minimum 11.00% p.a.	1466.28	Pledge of warehouse receipts, connoting pledge of castor seeds, mustard seeds, rape seeds etc., of godowns approved (Unjha and Palanpur)

			Repayment of the loan will be made out of the sale proceeds of the commodity or other resources, repayment period will not exceed 12 months.		
12.	(i) Short Term Loan (ii) Bills Discounting Facility Dated 9 July 2007 from HDFC Bank to Gokul Refoils and Solvent Limited	2000 500	Interest payable at prevailing rates, 11.00% p.a. payable monthly at present Repayment to be made before 15 February 2008 Interest payable at prevailing rates, 11.00% p.a. payable monthly at present	1074.98	(a) First and exclusive charge over goods/pledge of entire inventory of commodity (wheat) as a continuing security for each of the tenors of the Loan, financed here on revolving basis, stored at CWC and supported by warehouse receipts issued by CWC Warehouse Manager, or supported by a Collateral Management Agreement, between HDFC Bank and Geo-Chem Laboratories Private Limited covering discharge and storing of goods under current drawdown in separate identifiable warehouses. (b) Insurance Policy with regard to all inventory financed by HDFC Bank covering fire, theft, strike, riot etc., with HDFC Bank as the loss payee. Personal Guarantors: BC Rajput, Kanubhai Thakker

Our Company proposes to avail a total term loan of Rs. 3825 lacs from SBI Consortium.

Corporate Actions:

Some of the corporate actions for which we require the prior written consent of our lenders include the following:

1. To effect any change in the shareholding pattern, capital structure or the management control of the company;
2. To undertake any new project or scheme of expansion for the company or for acquisition of fixed assets;
3. To procure further or concurrent borrowings from other sources or create mortgage/charge on the assets of the company;
4. To invest by way of shares or funds to other concerns/entities;
5. To undertake guarantee obligations on behalf of other entities;
6. To declare dividends; and
7. To undertake any material long term contractual obligation.

We have obtained the approvals for the Issue from all lenders from whom we require approvals under the respective loan documents, as follows:

Sr. No.	Lender	Date of NoC
1.	State Bank of India	October 23, 2007
2.	Development Corporation Bank Limited	October 4, 2007
3.	Union Bank of India	October 16, 2007
4.	Punjab National Bank	October 16, 2007
5.	State Bank of Travancore	October 24, 2007
6.	State Bank of Indore	October 23, 2007
7.	Industrial Development Bank of India Limited	October 26, 2007
8.	Dena Bank	October 19, 2007
9.	Central Bank of India	October 24, 2007
10.	HDFC Bank Limited	October 30, 2007

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

Management discussion and analysis of financial performance

Following selected financial data have been prepared in accordance with Indian Accounting Standards, in conjunction with the financial statements and related notes and "Management Discussions and Analysis". The audited financial statements have been prepared in Indian Rupees and have been prepared in accordance with Indian Accounting Standards for the financial year 2003, 2004, 2005, 2006 and 2007. For detailed financial statements prepared in accordance with Indian Accounting Standards, as required by Guidelines, please refer, "Auditors Report" of this Draft Red Herring Prospectus.

OUR BUSINESS

Our Company was incorporated on December 29, 1992 as Gokul Refoils and Solvent Private Limited vide Registration No. 04-18745 under the Companies Act, 1956. Subsequently it was converted into a public limited Company vide special resolution passed at the Extra Ordinary General Meeting of the Company held on May 2, 1994, pursuant to which, we received a fresh certificate of incorporation dated July 1, 1994 by the Registrar of Companies, Gujarat.

In the year 1982, our Promoters made a modest start by setting up a small seed processing unit and trading in Edible oils. In line with our long term vision our Promoters incorporated our Company in 1992 and setup a Solvent Extraction plant and an oil refinery at Sidhpur, Gujarat. In 2003 our Company setup the Gandhidham unit with a refinery of 800 TPD and Vanaspati plant of 100 TPD. In 2006 we setup four environment friendly wind mills of 1.25 MW each, in Kutch. In 2007 we purchased a 100 TPD operational refinery in Surat and increased the Vanaspati capacity from 100 TPD to 200 TPD. We also have a co-generation power plant of 500 KWH at our Gandhidham unit. Towards expanding the scale of operations and having global presence we setup two wholly owned subsidiaries in Mauritius and Singapore. Today the group's interest includes Solvent Extraction and refining of Edible oil, castor oil and its derivatives, Vanaspati, , power generation, commodity trading in the domestic and international markets.

Our Company is primarily engaged in the business of Solvent Extraction, refining of Edible oils and Vanaspati manufacturing. At present our Company has 680 TPD of seed processing, 600 TPD of Solvent Extraction, 1200 TPD of refining and 200 TPD of Vanaspati manufacturing.

The units are situated at:

- Sidhpur (Sidhpur unit, North Gujarat)
- Anjar (Gandhidham unit, Kutch)
- Navi Pardi (Surat unit, South Gujarat)
- Kutch (Wind mills)

The Company is in the following lines of business:

- Seed processing and Solvent Extraction
 - o Oil cake
 - o Solvent extracted oil
 - o De-oiled cake
- Refining of crude Edible oil to produce refined
 - o Mustard oil
 - o Soyabean oil
 - o Sunflower oil
 - o Groundnut oil
 - o Cottonseed oil
 - o Palm oil

- Hydrogenation of oil to produce
 - o Vanaspati ghee
- Captive power generation plant

Significant developments subsequent to last financial year

In the opinion of the Directors, except as mentioned below there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus and which materially adversely affect the trading or profitability of the company or the value of its assets or its ability to pay within the next twelve months.

Our Company has allotted 2,66,500 equity shares of Rs. 10/- each at Rs. 185/- per share including a premium of Rs. 175/- per share to Granite Hill Capital Ventures LLC; details of which are appearing under the Heading 'Share Capital History of our Company' on page 52 of this Draft Red Herring Prospectus. We intend to deploy these proceeds to fund our working capital requirement.

Factors that may affect the results of operations

Significant changes in the exchange rate, freight, interest rates, cost of power or fuel and variations in the selling price of Edible Oil due to over supply in the market or fall in demand, are the factors that may affect the results of operations. The Company has incurred Rs 1465.18 Lacs towards Power and Fuel and Rs. 3793.95 Lacs towards transportation expenditure during the year ended 31st March, 2007, which constitutes approx. 3.36% of the total expenses of Rs. 156403.94 Lacs. Any further increase in the cost of Power or fuel, interest rates, transportation charges or changes in the exchange rates may affect the overall expenses, which may be adversely affect the profitability as well as the cost of production of the company.

Prices of the Edible Oil are very sensitive and are mainly dependent on demand and supply in the market. The prices of edible oil may affect if there is over supply or fall in demand in the market.

Significant Accounting Policies

NOTES ON ADJUSTMENTS

b) Short / Excess Provision for Income Tax

The profit and loss account for the period ended July 31, 2007 and financial year ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 include amounts paid / provided for or refunded in respect of shortfall / excess income-tax arising out of assessments, appeals, etc. For the purpose of this statement, the said Income Tax has been appropriately adjusted in the respective years.

2) Significant Accounting Policies:-

- (a) **Basis of preparation of financial statements and revenue recognition:-**
- iv.) The financial statement have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.
 - v.) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the company.
 - vi.) Sale of goods is recognised on shipment and dispatch to customers. Sale is inclusive of excise duty and other levies wherever applicable except sale tax in case of some branches. Other revenue is recognised on accrual basis except dividend.
- (b) **Fixed Assets & Depreciation / Amortisation:-**
- iv.) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. All cost, till commencement of commercial production is capitalized. Application software expenses for internal use are treated as intangible assets.

- v.) Depreciation on fixed assets is provided on the straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956. Intangible assets are amortized equally over five year.
- vi.) Pursuant to accounting standard 28 “ Impairment of Assets” issued by the ICAI, The Company has a system to review the carrying cost of all the assets vis-à-vis recoverable value and impairment loss, if any is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.
- (c) **Investments**
 - iv.) Long term Investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management.
 - v.) Dividends are accounted for as and when received.
 - vi.) Share of profit/loss from partnership firm is recognized when the company is right to receive /pay is established.
- (d) **Foreign Currency Transactions: -**
 - ii.) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transactions. Foreign currency transactions remaining unsettled at the year-end are restated at the exchange rate prevailing at the end of the year. Gains and losses on foreign exchange transactions other than those relating to fixed assets are charged to profit & loss account. Premium paid on forward contract has been recognised over the life of the contract
- (e) **Inventories:-**

Inventories are valued at lower of cost and net realizable value except by products which is valued at estimated realizable value. In determining the cost of raw Material, stores spares, and other material the first in first out (FIFO) method is used. Finished goods and work in progress included material cost, labour and factory overheads and excise duty, if applicable.
- (f) **Employee Retirement Benefit:-**
 - iii.) Company’s contributions to provident fund other benefits like PL wages, during the year are charged to profit and loss account.
 - iv.) The company has created a trust and has taken group gratuity policy with The Life Insurance Corporation of India for the future payments of retiring gratuities. The premiums thereon have been so adjusted as to cover the liabilities in respect of all employees at the end of their future anticipated service with the company.
- (g) **Lease Rent:-**

Lease rentals are expensed with reference to lease terms and other considerations.
- (h) **Liquidated Damages:**

Liquidated damages / Penalties, if any are provided whenever there is a claim from party and when the same is accepted by the company.
- (i) **Custom Duty:-**

The year end inventory is inclusive of custom duty but in case of raw material materials in bond or raw material on which duty of custom is not paid are valued at cost exclusive of custom duty.
- (j) **Taxation:-**

Provision for income tax is made on the basis of estimated taxable income. Advance tax and tax deducted at source are adjusted against provision for taxation and balance if any are shown in the balance sheet under respective heads.
- (k) **Deferred Taxation**

Deferred tax resulting from timing differences between book and tax profit is accounted for under the liability method at the current rate of Income tax to the extent that the timing differences are expected to crystallize as deferred tax charge/benefit in the profit and loss a/c and as deferred tax Assets/Liability in the Balance-Sheet.
- (l) **Insurance Claim**

Insurance and other claims to the extent considered recoverable are accounted for in the year of claim based on the amount assessed by the surveyor. However, claims and

refund whose recovery cannot be ascertained with reasonable certainty, are accounted for on acceptance/actual receipts basis.

- (m) **Borrowing Cost**
Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost are charged to Revenue.
- (n) **Excise Duty**
Excise duty has been accounted on the basis of both payment made in respect of goods cleared and provision made for goods lying in bonded area.
- (o) **Use Of Estimates**
In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period;; actual results could differ from those estimates.
- (p) **Commodity Hedging Transactions**
The commodity hedging contracts are accounted on the date of their settlement and realized gain/loss in respects of settled contracts are recognised in the profit and loss account, along with the underlying transactions.
- (q) **Provision, Contingent Liabilities and Contingent Assets**
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes, Contingent assets are neither recognised nor disclosed in the financial statements.
- (r) **Related Party Transaction**
Parties are considered to be related if at any time during the year, one party has the ability to control the other party or to exercise significant influence over the other party in making financial and / or operating decision.
- (s) **Earning Per Share**
The earning considered in ascertaining the company's EPS comprises the net profit after tax attributed to equity shareholders. The number of shares used in computing basis EPS is the weighted average number of shares outstanding during the year.

3) **Notes Forming Parts of Accounts**

1. **Secured Term Loan**
Term Loans from Banks are secured by equitable mortgage of land and building situated at Gadhidham, hypothecation of specified machinery at Gadhidham and sidhpur unit and wind Turbines. Further secured by second charge on current assets of the company. Working Capital loans are secured by hypothecation of stock, book debts and other current assets of the company.
2. In the opinion of the Board, the Current Assets, Loans and Advances approximately of the value, if realised, during the ordinary course of business.
3.
 - (a) Buyer's credit acceptances has been netted off by buyer's credit margin money for effective presentation.
 - (b) Interest income on fixed deposit kept as margin has been shown as deduction from interest paid for loans in Profit and Loss a/c for proper presentation.
 - (c) Gain on foreign exchange transactions is included under the head "operating income" for proper presentation.
- 4 The company is consistently following practice to value raw material in bond and raw material on which duty of custom not paid, at cost excluding custom duty. Provision for custom duty payable on such goods is not made in books of accounts amounting to Rs. 2203.24 Lakhs as on July 31, 2007, Rs. 1218.69 as on March 31, 2007, Rs. 1400.99 lacs as on March 31, 2006, Rs. 12.82 as on March 31, 2005, Rs. 1876.92 lacs as on March 31, 2004 and Rs. 481.86 lacs as on March 31, 2003. To that extent assets and liabilities are understated in the Balance-Sheet. However there is no effect on Net profit for the year.

5. The balances of sundry debtors and sundry creditors are subject to confirmation from respective parties.

6. Contingent Liabilities:- Contingent Liabilities is shown separately in Annexure XI to the report.

7. Segment Reporting:

The Company is mainly engaged in manufacturing and processing of edibles oils. The products are similar in nature and therefore are not subject to different risks and returns. Further the company mainly caters to the Indian market. the revenue and segment results from export activity are less than 10% of total revenue till the year ended on March 31, 2007 hence there are no reportable business /geographical segments.

8. Balance with non scheduled bank held in current Accounts:- (Rupees in Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
1.Sidhpur Nagarik Bank	8.98	2.98	1.47	1.46	0.80	0.95
2.The B.K.Merc. Co-op. Bank Ltd(DEESA)	0.008	0.008	0.008	0.009	0.009	0.009

9. Value of Imports on C. I. F. (Rupees in Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Raw Material	32239.74	61209.23	58715.50	50879.30	31672.90	13698.68
Capital Goods	118.99	122.39	86.63	14.85	366.71	0
Spares and other Materials	0	191.20	12.67	1.12	0.00	0

10. Earnings in Foreign currency (Rupees in Lacs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Export at FOB Value	7513.55	11664.64	856.47	571.43	NIL	NIL

11. Expenditure in Foreign currency. (Rs. in Lacs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Business Tour Exp.	6.25	28.50	3.92	1.72	5.59	2.17
Interest	459.93	1018.78	672.17	316.99	81.88	NIL

12. Estimated amount of contract remaining to be executed on capital account and not provided

(Rs. In Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Capital Expenditure	2281.23	1876.33	158.10	150	125	65

13. Auditors Remuneration (Rs. In Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
For Audit Fees	1.03	2.24	1.65	1.32	0.97	0.95
For Tax Audit Fees	0.18	0.56	0.28	0.33	0.11	0.10
For Out of Pocket Expenses	0	0	0	0	0	0.01

14. Payment to Directors (Rs. In Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Working Directors Salary and Contribution to Provident Fund	41.04	51.88	103.96	103.96	62.89	20.89
Commission	25.65	0	0	0	0	0

Upto 31-03-2007 no commission was payable hence the computation of profits in accordance with Section 349 of the Companies, Act, 1956 is given for the four months period ended July 31, 2007 which is as under:

(Rs. In Lakhs)

Profit Before Taxation and director remuneration

2,631.44

Less:-

Director Remuneration	41.04	
Director Fees	-	
Provision for doubtful debts and advances	-	
Book Deficit on disposal of Fixed assets (net)	-	41.04
		2,590.40
Add :-		
Loss/Profit of sale of Assets	0	
Loss/Profit on disposal of Investment	0	0
Net Profit for section 198 of The Companies Act 1956.		2,590.40
Commission	1%	25.65

15. The company is a partner in M/s Gokul Overseas. The constitution of the firm is as under.

Name of Partner	% of Share in Profit/Loss
1 Shree B.C. Rajput	21.25
2 Shree K. J. Thakker	21.25
3. Mrs. B.B Rajput	21.25
4.Mrs. M.K.Thakker	21.25
5.Gokul Refoils & Solvent Ltd.	15.00

The Accounting year of the partnership is from 1st April to 31st March. The share of profit/loss of the said partnership is brought in the accounts of the company up to 31.03.07.

16. Sundry debtors include Rs. 235.36 (P.Y. Rs. 644.21) due from a firm in which some of the directors of the company and company is partner.

(Rs. In Lakhs)

Period/Year	31-7-07	31-3-07	31-3-06	31-3-05	31-3-04	31-3-03
Amount due	235.36	644.21	103.44	0	0	171.70

17. To the best of our knowledge and as per the information available with the management :-

(a) Sundry Creditors does not include any individual outstanding of more than Rs. 1 lakh each payable to small scale industrial units.

(b) Suppliers/service Providers covered under Micro, Small, Medium Enterprises Development Act, 2006 have not furnished the information regarding filling of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed under section 22 of the said Act is not given.

18. The major component of Deferred tax liability (Net) are given below: (Rs. in Lacs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Deferred tax liability on account of	84.89	1025.67	633.17	638.52	209.42	123.29
ii) Depreciation						
Deferred Tax Assets	NIL	NIL	NIL	NIL	NIL	NIL
Net Deferred tax liability	84.89	1025.67	633.17	638.52	209.42	123.29

19. Earning per share:- Separately calculated in Annexure XII.

20. Segment Reporting: - The Company is mainly engaged in manufacturing and processing of edibles oils. The products are similar in nature and therefore are not subject to different risks and returns. Hence there is no reportable business segment. Company is selling its goods in domestic as well as export market. The geographical segment details are as under.

(Rs in Lakhs)

Particulars	AS AT 31-7-07	AS AT 31-3-07	AS AT 31-3-06	AS AT 31-3-05	AS AT 31-3-04	AS AT 31-3-03
Sales (Net of Excise)						
India	56062.78	142604.77	123953.70	107058.56	49402.71	40421.67
Rest of the World	8981.13	13644.35	889.22	571.43	0	0

Analysis of Revenues and Costs

The breakup of revenues and costs of Our Company is as given below:

Our revenues have grown from Rs. 1,11,605.47 Lacs in the year 2005 to Rs. 159,642.46 Lacs in the year 2007, an increase of 43.04%.

Analysis of Revenue and Costs As Restated (Rs in lacs)								
Particulars	For the period Ended		For the Year Ended					
	31-Jul-07	% of Total Income	31-Mar-07	% of Total Income	31-Mar-06	% of Total Income	31-Mar-05	% of Total Income
Total Operating Income	65,694.94	99.23%	159,642.46	99.78%	125,401.06	99.55%	111,605.47	99.35%
Total Income	66,201.88	100%	159,986.61	100.00%	125,972.61	100.00%	112,339.68	100.00%
Raw Material Consumed / Cost of Traded Goods	56,789.55	85.78%	141,309.45	88.33%	114,680.16	91.04%	102,603.77	91.33%
Manufacturing Expenses	714.47	1.08%	2,341.72	1.46%	1,466.22	1.16%	1,353.89	1.21%
Total Operating expenses	57,504.02	86.86%	143,651.18	89.79%	116,146.38	92.20%	103,957.66	92.54%
Operating Profit	8,697.86	13.14%	16,335.43	10.21%	9,826.23	7.80%	8,382.02	7.46%
Payment & Provision for Employees	161.06	0.24%	379.40	0.24%	309.14	0.25%	230.19	0.20%
Administrative & Other Expenses	408.14	0.62%	751.53	0.47%	1,249.92	0.99%	459.30	0.41%
Selling & Distribution Expenses	3,771.18	5.70%	8,842.82	5.53%	5,088.64	4.04%	3,656.39	3.25%
EBITDA	4,357.49	6.58%	6,361.67	3.98%	3,178.53	2.52%	4,036.14	3.59%
Financial Charges	994.07	1.50%	1,948.87	1.22%	839.25	0.67%	449.88	0.40%
Depreciation & Amortization	338.86	0.51%	830.14	0.52%	611.81	0.49%	495.21	0.44%
Profit Before Tax	3,024.55	4.57%	3,582.67	2.24%	1,727.47	1.37%	3,091.05	2.75%
Add / (Less) : Provision for Tax								
Current Tax	869.17		630.57		489.14		615.00	
Earlier Years	-		9.04		7.50		23.27	
Deferred Tax Liability / (Assets)	84.89		392.50		(5.35)		429.10	
Profit After Taxation as per Audited Accounts (A)	2,070.49	3.13%	2,550.56	1.59%	1,236.18	0.98%	2,023.67	1.80%

During the period ended July 31, 2007, Our Company's operating profit percentage has gone up from 10.21% (as recorded in the year 2007) to 13.14%. Total operating expenses have come down to 86.86% of our total income as compared to 89.79% during the last year. The EBITDA Margin has also

improved. At present it is at 6.58% as compared to 3.98% of last year. The PAT Margin has also improved. Kindly note that this is performance recorded for a period of 4 months and may not hold true for the full year.

During the last three years, the operating expenses as a % of total revenues have come down from 92.54% to 89.79% due to better capacity utilization and expansion of the capacities. The EBITDA Margin as a percentage of total income has also improved due to improved plant performance, better forex management and cost optimization.

Discussion on Results of Operations

A summary of restated past financial results are given below:

Particulars	For the Year Ended						(Rs. in Lacs)
	31-Mar-07	% Change	31-Mar-06	% Change	31-Mar-05	% Change	31-Mar-04
Income							
Sales & Operating Income of products manufactured by the Company	126,528.71	20.01%	105,431.86	15.14%	91,570.96	246.93%	26,394.98
Sales & Operating Income of products traded by the Company	29,816.90	52.34%	19,572.39	16.74%	16,766.37	-27.32%	23,068.10
Other Income	344.15	-39.79%	571.56	-22.15%	734.21	21.79%	602.86
Increase / (Decrease) in Stock	3,296.85		396.80		3,268.14		239.00
Total Income	159,986.61	27.00%	125,972.61	12.14%	112,339.68	123.32%	50,304.94
Expenditure							
Raw Material Consumed / Cost of Traded Goods	141,309.45	23.22%	114,680.16	11.77%	102,603.77	124.90%	45,621.03
Manufacturing Expenses	2,341.72	59.71%	1,466.22	8.30%	1,353.89	79.21%	755.49
Payment & Provision for Employees	379.40	22.73%	309.14	34.30%	230.19	240.95%	67.51
Administrative & Other Expenses	751.53	-39.87%	1,249.92	172.14%	459.30	96.93%	233.23
Selling & Distribution Expenses	8,842.82	73.78%	5,088.64	39.17%	3,656.39	196.32%	1,233.93
Financial Charges	1,948.87	132.22%	839.25	86.55%	449.88	270.64%	121.38
Depreciation & Amortization	830.14	35.69%	611.81	23.54%	495.21	256.65%	138.85
Total Expenditure	156,403.94	25.88%	124,245.14	13.73%	109,248.63	126.79%	48,171.42
Profit for the Period	3,582.67	107.39%	1,727.47	-44.11%	3,091.05	44.88%	2,133.52
Add / (Less) : Prior Period Items	-		-		-		-
Profit Before Tax	3,582.67	107.39%	1,727.47	-44.11%	3,091.05	44.88%	2,133.52
Add / (Less) : Provision for Tax							
Current Tax	630.57		489.14		615.00		672.00
Earlier Years	9.04		7.50		23.27		9.58

Deferred Tax Liability / (Assets)	392.50		(5.35)		429.10		86.13
Profit After Taxation as per Audited Accounts (A)	2,550.56	106.33 %	1,236.18	- 38.91%	2,023.67	48.17%	1,365.82

COMPARISON OF FISCAL YEAR 2007 VIS -VIS WITH FISCAL YEAR 2006

Total Income

The total income for the year 2007 stood at Rs. 159986.61 lacs in comparison to Rs. 125972.61 lacs for the previous year 2006 showing an increase of 27.00%. The Company has largely seen good growth in the revenues due to increase in the net sales of products manufactured by the company, export sales and increase in turnover of trading goods. The net sales increased from Rs. 1,05,431.86 lacs to 1,26,528.71 lacs, an increase of 20.01%. Export sales have increased from Rs. 889.22 lacs to Rs. 13644.35 lacs showing an increase of 1434.42 % and turnover of the Company in terms of trading activities has increased from Rs.19,572.39 lacs to Rs. 29,816.90 lacs, an increase of 52.34%.

1. Administrative & Other Expenses

The administrative expenses are 0.47% of the total income of the year 2007 as compared to 0.99% of our total income for the year 2006. The same have gone down by 39.87% due to a favorable exchange rate difference.

2. Selling & Distribution Expenses

The selling & distribution expenses for the year are 5.53% of our total income as against 4.04% during 2006. These expenses have shot up by 73.78% over last year. In line with the initiative to increase the market share in consumer packs, the company made an impressive beginning on a brand building initiative. Brand building, advertisement, sales promotion & increased expenditure on overseas freight charges constitute the major items under this head.

3. Interest Expenses

Interest expenses for the year 2007 are 1.22% of our total income as against 0.67% last year. The percentage increase has been 132.22% over the year 2006. During the year under review Our Company has completed expansion and modernization of the Sidhpur plant. The working capital loans of the company have increased keeping in mind the expansion and growth objectives of Our Company.

4. Depreciation

Depreciation for the year 2007 is 0.52% of our total income as compared to 0.49% in the year 2006. The same increased by 35.69% as compared to the corresponding year. There is addition of fixed assets due to ongoing expansion plan of Our Company.

5. Profit after Tax

The company posted a huge jump in the net profits for the year 2007. The company registered a 106.33% jump. This was mainly on account of improved plant performance, cost optimization, customer focus and prudent forex and financial management.

COMPARISON OF FISCAL YEAR 2006 VIS-A--VIS WITH FISCAL YEAR 2005

Total Income

The total income for the year 2006 stood at Rs.1,25,972.61 lacs in comparison to Rs. 1,12,339.68 lacs for the previous year 2005 showing an increase of 12.14 %. The Company has performed well as compared to its peers due to effective cost management and planned approach in making key decisions. The net sales of products manufactured by the company saw an increase from Rs. 91,570.96 Lacs to Rs. 1,05,431.86 lacs (increase of 15.14%) and turnover of the Company in terms of trading activities

saw an increase from Rs.16,766.37 Lacs to Rs. 19,572.39 lacs (increase of 16.74%). Better capacity utilization, improved sales realization, strengthening brand image in market contributed for improved Income of Our Company.

1. Administrative Expenses

In line with increased manpower costs & other administration costs in 2005-06, the company has incurred higher expenses on administration during FY 2005-06 by 172.14% over that in FY 2004-05. The administrative expenses are 0.99% of the total income during the year 2006 as compared to 0.41% in the year 2005. The Exchange rate difference (loss) is one of the major constituent of this expense.

2. Selling & Distribution Expenses

The selling & marketing expenses have increased by 39.17% in FY 2005-06 as compared to FY 2003-04. These constitute 4.04% of out total income for the year 2006 as compared to 3.25% in the year 2005. The rise is mainly on account of higher outgo on account of freight outwards and higher sales tax payment.

3. Interest Expenses

Interest expenses for the year 2007 are 0.67% of our total income as against 0.40% last year. The percentage increase has been 55.24% over the year 2005. Such increase is mainly on account of increase in borrowings on account of working capital by Our Company.

4. Depreciation

The increase of depreciation during FY 2005-06 over that of FY 2004-05 is at 23.54%, which is in line with lesser additions in capital investments. Deprecation expense stood at 0.49% of our total income during 2006. There is addition of fixed assets due to ongoing expansion of Our Company.

5. Profit after Tax

The profit after tax decreased by 38.91% as compared to the year 2005. The net profit has declined mainly on account of sudden weakening of rupee against dollar and downward price movement of edible oils throughout the year and removal of excide duty on edible oil.

COMPARISON OF FISCAL YEAR 2005 VIS-VIS WITH FISCAL YEAR 2004

Total Income

The company has posted excellent revenue of Rs. 112339.68 Lacs, when compared with FY 2004 of Rs. 50304.94 Lacs showing a growth of 123.32% because of successful commissioning of our new refinery at Gandhidham unit. Better forex management and planned approach in making purchase decisions and effective cost management are other key factors.

1. Administrative & Other Expenses

Administrative & other expenses have increased from Rs. 233.23 Lacs to Rs. 459.30 Lacs, an increase of 96.93%. The same are 0.41% of the total income for the year 2005. Insurance and cost of the personnel has gone up during 2006.

2. Selling & Marketing Expenses

The selling & marketing expense has been increased to Rs. 3656.39 Lacs from Rs. 1233.93 Lacs in FY 2004-05 as compared to FY 2003-04. Commensurate with the increase in turnover in the year 2004 the said increase in marketing expenses is with a view to strengthening the brand image in the market. The result of the said is anticipated in the coming years.

3. Interest Expenses

With the expansion plan in mind, the loan funds of Our Company have increased from [•] to [•]. The interest expenses have shot up by 270.64% as compared to the year 2004. These are 0.40% of our total income of the year 2005. The bank charges and interest expenses have gone up during 2006.

4. Depreciation

The increase of depreciation during FY 2004-05 over that of FY 2003-04 is at 256.65%, which is in line with a more additions in capital investments.

5. Profit after Tax.

The company's growth pattern continued during the year 2005. The company has posted during the FY 2004-05 an increase of 48.17% over that of FY 2003-04. This is mainly from the full year contribution of the Gandhidham Unit.

INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5 OF SEBI (DIP) GUIDELINES.

i. Unusual or infrequent events or transactions

There have been no unusual or infrequent transactions

ii. Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affect or are likely to affect the income from continuing operations. However, volatility in foreign exchange rates may have an inflationary effect on cost of imports.

iii. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:

Apart from the risk as disclosed in this Draft Offer Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenue or income from continuing operations.

iv. Future changes in the relationship between cost & revenue

There are no known factors which will affect the future relationship between the costs and revenues to have a material impact on the operations and finances of the Company.

v. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

The increase in sales is mainly due to increased volume. The increase in the net sales is due to increase in the sales volume & introduction of products in the market.

vi. Total turnover of each major industry segment in which the company operates

It is very difficult to ascertain the total turnover of each such industry since majority of the players are in unorganized sector.

vii. Status of any publicly announced new products or business segment

The Company has not introduced any publicly announced new products or business segment.

viii. Seasonality of business

The business of the company is not seasonal because the products manufactured are not seasonal in the nature.

ix. Any significant dependence on a single or few suppliers or customers

The Company is procuring the raw material from a number of suppliers across the country and hence dependence on few suppliers is not likely to occur. The customer base of the Company is well diversified and it sells its product through various dealers located all across the country and dependence on single or few customers is not significant.

x. Competitive conditions

The company will face the competition from established players like Ruchi Soya, K.S.Oil, Sanwaria Agro Oil, Vimal Oil and Foods etc. However, the company has been in the business of edible oil for more than 15 years and hence it is suitably placed to have a competitive edge over its competitors. Besides, the existing distribution market will help the company to place the proposed products all across the country. The Company's capabilities in technology and project delivery and the fact that the Company has built up solid reputation over the years will protect its revenues and margins even in face of new entrants into the market.

SECTION VI: LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATIONS

There are no outstanding litigations, suits or civil or criminal prosecutions against our Company, our Subsidiary, our Directors, our Promoters and our Promoter group or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits and arrears on cumulative preference shares issued by our Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Subsidiary, our Directors and our Promoters, except as described below. Further, our Directors and Promoters have not been declared as willful defaulters by the Reserve Bank of India and also have not been debarred from dealing in securities and/ or accessing the capital market by SEBI and no disciplinary action has been taken against them by SEBI.

A. CONTINGENT LIABILITIES OF OUR COMPANY

The contingent liabilities of our Company as on March 31, 2007 are as follows:

<i>(Rs. in Lakhs)</i>		
Sr. No.	Particulars	Amount
1	Outstanding litigation (disputed income tax liabilities)	0.51
2	Bank guarantees issued by banks on behalf of the Company	1,390.00
3	Corporate guarantees	3,000.00
4	Contracts remaining to be executed on capital account and not provided for	1,876.33
5	Letter of Credit	3237.73

B. OUTSTANDING LITIGATIONS INVOLVING OUR COMPANY

CASES FILED BY OUR COMPANY

I. Civil Litigation

Case under the Companies Act, 1956

1. Registrar of Companies, Gujarat

The Company had availed of a term loan of Rs.820 lakhs from the State Bank of Travancore, Ahmedabad Branch. To secure this loan, the Company executed a Deed of Hypothecation for Two Wind Turbine Generators and a Memorandum of Deposit creating equitable mortgage where the generators are to be erected, both on August 8, 2006 in favour of the State Bank of Travancore. The Company was required to register this charge within thirty (30) days, i.e., by September 7, 2006. However, the details of the charge were received by the Registrar of Companies, Gujarat, on June 25, 2006. The Registrar of Companies by his letter dated July 5, 2007 informed the Company that it was required to file a petition before the Company Law Board seeking condonation of delay in filing of the charge. The Company has thereafter filed a petition before the Company Law Board on August 3, 2007 for condonation of delay for filing the charge on the grounds that earlier the Bank did not have a digital signature at the branch level; thereafter the prescribed e-Form 8 for filing of charge was changed; the CIN of the Company did not match and this had to be corrected with the Ministry of Corporate Affairs. This petition is still pending before the Company Law Board.

II. Criminal Litigation

Cases under the Negotiable Instruments Act, 1881

Shailesh Kumar Jayantilal Shah, Ketan Kumar Jayantilal Shah, Vimal Kumar Jayantilal Shah, partners of Gautam Trading, Surendranagar

On September 12, 2005 the above persons purchased vegetable ghee on credit worth Rs. 45,260. On October 15, 2005 they issued a cheque of Rs. 40,000 bearing No. 2469291 drawn on the Surendranagar Mercantile Co-operative Bank Limited, Surendranagar branch. The cheque was returned on October 21, 2005 with the remarks insufficient funds. Thereafter, on November 9, 2005 a statutory notice, as required under the Negotiable Instruments Act, 1881 (the "NIA") was issued by our Company, through its advocate to the above persons. A reply was filed by the above persons through their advocate on November 22, 2005 denying the contents of the notice. Thereafter, this case was filed on December 22, 2005, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 743/2006, under S. 138 of NIA. The Court has issued summons to the opposite party and the case is currently pending.

- **Shailesh Kumar Jayantilal Shah, Ketan Kumar Jayantilal Shah, Vimal Kumar Jayantilal Shah, partners of Gautam Trading, Surendranagar**

On September 22, 2005 the above persons purchased vegetable ghee on credit worth Rs. 45,240. On October 12, 2005 they issued a cheque of Rs. 40,560 bearing No. 2469290 drawn on the Surendranagar Mercantile Co-operative Bank Limited, Surendranagar branch. The cheque was returned on October 21, 2005 with the remarks insufficient funds. Thereafter, on November 9, 2005 a statutory notice, as required under NIA was issued by our Company, through its advocate to the above persons. A reply was filed by Shailesh Kumar Jayantilal Shah on November 22, 2005 that no partnership in the name of Gautam Trading exists and that he accepts the liability thereby promising to pay the money. Thereafter, this case was filed on December 22, 2005, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 744/2006, under S. 138 of NIA. The Court has issued summons to the opposite party and the case is currently pending.

- **Lalbhai Motwani, proprietor of Ashapura Trading Company, Surat**

On September 30, 2004, Ashapura Trading Company bought palmoline oil on credit from our Company worth Rs. 34,100, promising to pay the bill within one month of the invoice date. Accordingly, on October 13, 2004, Ashapura Trading Company issued a cheque bearing No.715547 for Rs. 34,100 in favour of Bank of Baroda, Surat branch. The cheque was returned with the remarks insufficient funds. The cheque was re-deposited on December 7, 2004, which was again returned with the remarks opening balance insufficient. Thereafter, a statutory notice dated January 1, 2005, as required under NIA was served by our Company, through its advocate to Ashapura Trading Company. However, this notice also came back with the remarks that the addressee has left the place. Consequently, the present complaint was filed on February 17, 2005, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 270/2005, under S.138 of NIA. The Court has issued summons to the opposite party and the matter is currently pending.

- **Lalbhai Motwani, proprietor of Ashapura Trading Company, Surat**

On October 6, 2004, Ashapura Trading Company bought refined soya bean oil on credit from our Company worth Rs. 35,000, promising to pay the bill within one month of the invoice date. Accordingly, on October 15, 2004, Ashapura Trading Company issued a cheque bearing No.727752 for Rs. 33,370 in favour of Bank of Baroda, Surat branch. However, the cheque was returned with the remarks insufficient funds. The cheque was re-deposited on December 7, 2004, which was again returned with the remarks opening balance insufficient. Thereafter, a statutory notice, dated January 1, 2005, as required under NIA was served by our Company, through its advocate to Ashapura Trading Company. The notice came back with the remarks that the addressee has left the place. Henceforth, the present complaint was filed on February 17, 2005, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 271/2005, under S. 138 of NIA. The Court has issued summons to the opposite party and the matter is currently pending.

- **Jitendrasingh Kalyanmal Singhal, proprietor of Maya Sales Corporation, Indore**

Jitendrasingh Kalyanmal Singhal bought 46,455 tonnes of D.I.M.P soya bean worth Rs. 21,50,000 on credit. On September 9, 2004 he issued a cheque of Rs. 6,75,000, bearing No. 205609 drawn on Karnataka Bank Limited, Indore branch. The cheque was returned on September 13, 2004 with the remarks insufficient funds. The cheque was re-deposited on November 25, 2004, which was again returned with the remarks stopped payment. Thereafter, on January 10, 2005, a statutory notice as required under NIA was issued by our Company, through its advocate to the above persons. Subsequently, the present case was filed on March 1, 2005, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 576/2005, under S. 138 of NIA. The Court has issued summons to the opposite party and the case is currently pending.

- **Jitendrasingh Kalyanmal Singhal, proprietor of Maya Sales Corporation, Indore**

Jitendrasingh Kalyanmal Singhal bought 46,455 tonnes of D.I.M.P soya bean worth Rs. 21,50,000 on credit. On September 11, 2004 he issued a cheque of Rs. 11,00,000, bearing No. 205611 drawn on Karnataka Bank Limited, Indore branch. The cheque was returned on September 16, 2004 with the remarks insufficient funds. The cheque was re-deposited on November 25, 2004, which was again returned with the remarks stopped payment. Thereafter, on January 10, 2005, a statutory notice, as required under NIA was issued by our Company, through its advocate to the above persons. Subsequently, the present case was filed on March 1, 2005, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 577/2005, under S. 138 of NIA. The Court has issued summons to the opposite party and the case is currently pending.

- **Ashish Kumar K Vyas, proprietor of Ashish Oil Traders, Ahmedabad**

On March 28, 2005 Ashish Kumar K Vyas bought cotton seed oil on credit worth Rs. 90,750. On April 15, 2005 he issued a cheque of Rs. 45,000 bearing No. 37632 drawn on the Kalupur Commercial Co-operative Bank Limited, Sola road Ahmedabad. The cheque was returned on April 19, 2005 with the remarks opening balance insufficient. The cheque was re-deposited on June 3, 2005 which was again returned with the remarks opening balance insufficient. Thereafter, on June 18, 2005 a statutory notice as required under NIA was issued by our Company, through its advocate to the above persons. Subsequently, this present case was filed on September 2, 2005, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 907/2005, under S. 138 of NIA. The Court has issued summons to the opposite party and the case is currently pending.

- **Ashish Kumar K Vyas, proprietor of Ashish Oil Traders, Ahmedabad**

On March 28, 2005 Ashish Kumar K Vyas bought cotton seed oil on credit worth Rs. 90,750. On April 16, 2005 he issued a cheque of Rs. 45,750 bearing No. 37633 drawn on the Kalupur Commercial Co-operative Bank Limited, Sola road Ahmedabad. The cheque was returned on April 21, 2005 with the remarks opening balance insufficient. The cheque was re-deposited on June 3, 2005, which was again returned with the remarks opening balance insufficient. Thereafter, on June 18, 2005 a statutory notice as required under NIA was issued by our Company, through its advocate to the above persons. Consequently, this present case was filed on September 2, 2005, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 908/2005, under S. 138 of NIA. The Court has issued summons to the opposite party and the case is currently pending.

- **Dilip Kumar Dhanjibhai Thakkar and Shantilal J Thakkar, partners of Dilip Kumar & Co., Harij, Dist. Patan**

Between May 10, 2001 and May 25, 2001, the above persons Dilip Kumar Dhanjibhai Thakkar and Shantilal J Thakkar purchased empty gunny bags (bardan) on credit worth Rs. 77,000 from our Company. Thereafter, they issued a cheque dated May 28, 2001 bearing no. 642108 drawn on the Commercial Co-operative Limited, Kalupur branch, Ahmedabad for Rs. 60,000. The cheque was returned on June 30, 2001 with the remarks insufficient opening balance. The cheque was re-deposited on August 28, 2001, which was again returned with the remarks insufficient balance. Thereafter, on September 14, 2001 a statutory notice as required under NIA was issued by our Company through its advocate to the above persons. Subsequently, this case was filed on October 29, 2001, in the court of

the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 928/2002, under S. 138 of NIA. The Court has issued warrant to the opposite party and the case is currently pending.

- **Dilip Kumar Dhanjibhai Thakkar and Shantilal J Thakkar, partners of Dilip Kumar & Co., Harij, Dist. Patan**

Between May 10, 2001 and May 25, 2001, Dilip Kumar Dhanjibhai Thakkar and Shantilal J Thakkar purchased empty gunny bags (bardan) on credit worth Rs. 60,000 from our Company. Thereafter, they issued a cheque dated May 26, 2001 bearing No. 642107 drawn on the Commercial Co-operative Limited, Kalupur branch, Ahmedabad for Rs. 60,000. The cheque was returned on June 30, 2001 with the remarks insufficient opening balance. The cheque was re-deposited on August 29, 2001, which was again returned with the remarks insufficient balance. Accordingly, on September 14, 2001 a statutory notice as required under NIA was issued by our Company through its advocate to the above persons. Thereafter, this case was filed on October 29, 2001, in the court of the Judicial Magistrate First Class, Sidhpur, criminal complaint No. 929/2002, under S.138 of NIA. The Court has issued summons to the opposite party and the matter is currently pending.

Statutory Notices under the Negotiable Instruments Act, 1881

1. **Surutaben Vivek Pradhan proprietor of Shraddha Agency, Bajwa**

On September 19, 2001 our Company sold 50 tins of cotton seed oil to Shraddha Agency worth Rs. 25,813 on credit. One cheque was issued on December 10, 2001 for Rs.13,000 and the other cheque was issued on December 13, 2001 worth Rs. 12,813. However, these both these cheques were returned. On January 16, 2002 our Company issued a notice to recover the whole amount of Rs. 25,813. On February 1, 2002 a second notice was issued by our Company under NIA for dishonoured cheque. On June 10, 2002 Shraddha Agency issued a third cheque of Rs 10,000 in favour of our Company, which was deposited on June 11, 2002 but this cheque was also dishonoured. On June 19, 2002 our Company issued another notice to Shraddha Agency for recovery of Rs. 10,000. Further, on September 5, 2007 a notice was issued by our Company to recover Rs. 10,000 with interest and notice charges. The matter is currently pending.

2. **Saurashtra Traders, Rajpipla**

Our Company sold 75 tins of refined soya bean oil on December 5, 2000 worth Rs. 31,650 to Saurashtra Traders, Rajpipla, who issued two cheques, one of Rs. 13,825 and other of Rs. 7,825. Both these cheques were dishonoured for the reason funds being insufficient. Our Company sent a statutory notice under NIA on June 22, 2001 for the two dishonoured cheques and then subsequently another notice was sent on October 15, 2001 for both the cheques. However, both the times the notices came back because of change in address. This matter is currently pending.

III. Tax Litigation

Sales Tax

Appeal filed before the Joint Commissioner, Sales Tax, Ahmedabad

The assessment for the Assessment Year 2003-2004 was completed on October 1, 2005 vide order passed by the Deputy Sales Tax Officer, Gandhinagar. However, as per the assessment order sales tax payable was shown as Rs. 90,62,278 and our Company paid sales tax of Rs. 88,19,423. Therefore, the dispute in question was of Rs. 2,40,855. Our Company filed an appeal before the Joint Commissioner, Sales Tax on October 19, 2005 and the case is still pending.

CASES FILED AGAINST OUR COMPANY

I. Civil Litigation

Case under the Code of Civil Procedure, 1908

1. M/s Bhagavan Traders vs. M/s Gokul Refoils and Solvent Limited

The plaintiff/appellant was a C&F agent of the defendant/respondent company for supply of oil products and vanaspati. The plaintiff had obtained a bank guarantee of Rs.50,00,000 on October 17, 2006. The defendant issued a letter demanding payment of Rs. 43,65,947 being the amount outstanding for sale in the state of Karnataka, and a total of Rs. 59,02,810 for both Karnataka and Tamil Nadu. The plaintiff replied on July 23, 2007 stating that payment has already been done to the extent of Rs.30,01,760 + Rs. 80,000 + Rs.1,00,100. Further, the plaintiff stated that they are not responsible for the transactions in Tamil Nadu as they were engaged for supply only in the state of Karnataka. The outstanding balance of Karnataka was Rs. 17, 24,873 out of which set off was claimed for Rs. 10, 00,000 towards commission and other expenses to be paid to them by the defendant. The defendant made efforts to realize the bank guarantee, to which the plaintiff sought temporary injunction from the trial court, Pavagada. The court granted the injunction *ex parte* on August 20, 2007. The defendant moved an application against this order for vacation of the interim injunction. They also contended the jurisdiction of the court to this matter as the concerned C&F agreement dated September 1, 2006 contained clause of arbitration in case of dispute and applicability of Sidhpur jurisdiction to that effect. The court vacated the injunction by order dated October 8, 2007. The plaintiff has now moved an appeal against this vacating order of temporary injunction and the case is currently pending.

Case under the Motor Vehicles Act, 1988

1. Thakor Kubhaji Baldevji

The claimant being Thakor Kubhaji Baldevji, has filed a claim (Case no. 188/2005) against our Company and Bajaj Allianz General Insurance Company Limited before the Motor Accident Claims Tribunal, Patan (MACT) on account of injuries sustained by the claimant due to an accident which took place on August 25, 2005 with a Mahindra Scorpio being driven by an employee of our Company. The claimant has prayed for a claim amount of Rs. 2,00,000 and has filed an application for interim relief under S. 140 of the Motor Vehicles Act, 1988 for an amount of Rs. 25,000. The claim is pending before the MACT and no reply has been filed by our Company until date as the case is primarily against the insurance company and we are involved merely because of third party insurance clause.

Intellectual Property

1. Case for Trademark "GOKUL"

Our Company filed an application on October 22, 1993, to be considered as proprietary owners of the Trade Mark "GOKUL" under S. 18(1) of the Trade Mark Act, 1999, in Class 29 (Schedule IV). The application was filed in the name of Mr. Dineshkumar Sharma, our whole time director. However, an opposition was filed by M/s. Kolhapur Zilla Sahakari Dudh Utpadak Sangh Limited to the Registrar of Trade Marks, Trade Marks Registry, Ahmedabad claiming registered proprietorship and exclusive rights over the use of the Trade Mark. They contended that the Trade Marks are identical and there are chances of confusion among the public. Thereafter, our Company submitted that the description of goods is different to each other and varies in nature, identity and form of goods. Also no incident of confusion or deception has been reported till date and neither party has incurred any damages. We have not been using ® symbol for our Trade Mark and hence an adverse judgment will not affect our business.

II. Criminal Litigation

Cases under the Prevention of Food Adulteration Act, 1954

1. Office of the Joint Commissioner, Food and Drug Administration, Pune

Vide letter dated January 24, 2007, letter no. PFA/DSP/128/06, the Food Inspector, Food and Drug Administration, Pune issued a reminder to our Company that in absence of us appointing any responsible person as nominee as per S. 17(2) of the Prevention of Food Adulteration Act, 1954 (the "PFA") our Company is to submit a list of its directors and other person who are responsible for the business of our Company at Pune as on September 25, 2006. This letter was in reference to enquiry under Rule 9(f) of PFA for sample of vanaspati dated September 25, 2006 and the letter of the department to our Company dated January 2, 2007 vide letter no. PFA/DSP/3151/06. Our Company has replied to this notice giving requisite details of persons responsible as required by the Food and Drug Administration.

2. State v. Anil Kumar Jain, Mr. Mahendra Kumar Jain, Mr. Dinesh Kumar Sharma, M/s GRSL, Shivgani

This case (Case no. 590/2006) has been filed before the Chief Judicial Magistrate, Jaipur by plaintiff the Food Inspector, Mr. R.K. Sharma for sample of palm oil having been recovered from M/s Mahaveer Agro. Products, Jaipur who in turn had purchased the sample from M/s Vardhaman Enterprises, Jaipur. The plaintiff who has requested to plead through the public prosecutor of the state, has alleged that the sample of palm oil recovered from M/s Mahaveer Agro. Products, Jaipur and belonging to our Company, was adulterated, for which he has shown the certificate from the State Central Public Health Laboratory, Jaipur dated December 7, 2004 certifying that the food sample taken by R.K. Sharma was adulterated. It has been further alleged that the defendants indulged in adulteration of refined palm oil under S. 7(iii) of PFA and are hence liable to be punished under S.16 of PFA. Our Company has appointed Mr. Ajaykumar Chaudhary as its representative vide letter dated November 10, 2006. The defendants have further in their replies asked for re-testing of the sample and the Court has accepted this. This case is currently pending.

3. State v. Anil Kumar Jain, Mr. Mahendra Kumar Jain, Mr. Dinesh Kumar Sharma, M/s GRSL, Shivgani

This case has been filed before the Chief Judicial Magistrate, Jaipur by plaintiff the Food Inspector, Mr. Kameshwar Chand Gupta for sample of refined soyabean oil having been recovered from having been recovered from M/s Mahaveer Agro. Products, Jaipur who in turn had purchased the sample from M/s Vardhaman Enterprises, Jaipur. The plaintiff has alleged that the sample of palm oil recovered from M/s Mahaveer Agro. Products, Jaipur and belonging to our Company, was adulterated, for which he has shown the certificate from the State Central Public Health Laboratory, Jaipur dated December 7, 2004 certifying that the food sample taken by Mr. Kameshwar Chand Gupta was adulterated. It has been further alleged that the defendants indulged in adulteration of refined soyabean oil under S. 7(iii) of PFA and are hence liable to be punished under S.16 of PFA. This case is currently pending.

4. Office of the Nagpur Municipal Corporation, Nagpur

Vide notice bearing No. Ho/PFA-D/302 dated August 1, 2007 issued by the Local Health Authority and Health Officer (S), Nagpur this is intimation to our Company under S. 13(2) of the Prevention of Food Adulteration Act, 1954 in the matter of sample of food article vanaspati taken from Mr. Sudhir Radhesyam Tiwari, Nagpur on September 28, 2005 by Food Inspector Mr. A.N. Yadav for the purposes of analysis. A prosecution has been launched against our Company vide criminal case No. 2599/2007 in the court of the Additional Chief Judicial Magistrate, Nagpur on July 30, 2007. We have not yet received notice from the Court asking for our reply, however we have communicated to the Food and Drug Administration that we have nominated a person under the PFA for the production site.

5. Office of the Thane Municipal Corporation, Thane

Vide notice bearing No. TMP/VAA/AV/1732/513 dated July 21, 2007 issued by the Local Health

Authority and health Officer, Thane this is intimation to our Company that a prosecution has been launched against our Company vide criminal case No. 578/2007 in the court of the Chief Judicial Magistrate, Thane on August 30, 2007. Our Company in its reply dated August 10, 2007 has sent its names and address along with the other details as required by the respective authority and the matter is currently pending.

III. Tax Litigation

Customs Notice

Office of the Commissioner of Customs, Ahmedabad

Our Company received a notice bearing No. F.No.VIII/10-12/Commr/OA/2007 dated September 7, 2007 issued by the Additional Commissioner, Ahmedabad in reference to show cause notice bearing No. F.No.DRI/SRU/INV-2/2005 dated April 20, 2007. Vide this notice our Company has been informed that the Commissioner of Customs, Kandla has been made the adjudicating authority to decide on our show cause notice and asking us to file our reply to the said authority. Vide these two notices our Company along with some other companies, was asked to show cause as to why goods imported duty free under bills of entry and valued at Rs. 7,51,36,076 should not be confiscated under S. 111(o) of the Customs Act, 1962, why customs duty amounting to Rs. 1,24,83,454 should not be recovered and demanded under S. 28 of the Customs Act, 1961 read with Notification Nos. 34/97-Cus and/or 35/2002-Cus along with interest under S. 28AB of the Customs Act, 1962 and/or S114A of the Customs Act, 1962. Our Company replied to this notice on July 2, 2007 stating that we had not indulged in any illegal activities and that the proceedings initiated against us were wholly incorrect as we had.

2. Office of the Commissioner of Customs, Ahmedabad

Our Company received a notice bearing No. F.No.VIII/10-16/COMMR/OA/05 dated September 24, 2007 issued from the Office of the Commissioner of Customs, Ahmedabad in reference to show cause notice bearing No. F.No.DRI/AZU/INV-11A/2004 dated September 14, 2005. Vide this notice our Company was informed that the personal hearing for the subject matter would be on October 17, 2007. The representatives of our Company were present for the personal hearing and we contended the same arguments as forwarded by us in our earlier reply dated July 10, 2006, mainly that we are bona fide purchasers of DEPB, for value without any notice that the DEPB was obtained fraudulently by M/s. M.K. Industries & others.

3. Office of the Assistant Commissioner of Customs CFS Ludhiana

Our Company received a notice bearing No. C.N. VIII-CUS/CFS/PREV/DGFT/5/07/173/1726 dated September 28, 2007 issued by the Superintendent (Customs), Ludhiana in reference to our reply DEPB/Customs Ludhiana/002/2007 dated April 4, 2007 for investigation of fraudulent availment of DEPB, asking our Company to supply copies of the Bill of entry no. 5883 dated April 22, 2004 and 5884 dated April 22, 2004 vide which the goods were imported at Kandla port. Vide notice No. C.No.VIII-CUS/CFS/PREV/DGFT/5/07/173/477 dated March 15, 2007 issued by the Superintendent (Customs), Ludhiana our Company had been asked to show cause regarding evasion of customs duty by way of fraudulent use of DEPB Scrip originally issued to M/s Nahar Mills Ltd., Ludhiana. In our reply dated April 4, 2007 we had given details of DEPB license no. 3010032636 dated March 15, 2004 for Rs. 17,62,025 along with transfer letter issued by M/s Nahar Mills Ltd. and the verification report of shipping bills pertaining to this DEPB. Further, our Company has replied to letter No. C.N. VIII-CUS/CFS/PREV/DGFT/5/07/173/1726 on September 30, 2007 thereby enclosing copies of the requisite documents as required by the respective authority.

4. Office of the Commissioner of Customs, Kutch

Based on the order No. S/20-42/2006-Gr.VII dated September 29, 2006 passed by the Assistant Commissioner of Customs (Gr.VII), Kandla, a show cause notice was issued to our Company on January 22, 2007 calling upon us as to why interest on the 4% custom duty should not be levied. The concerned authority also asked our Company to reply to the show cause notice within one (1) month of the receipt of the notice. Our Company replied to this show cause notice its their letter dated October 9,

2007 and requested them to adjourn the date of the personal hearing. This matter is currently pending.

Income Tax Notice

1. Notice under S. 156, 220(2) and 221(1) of the Income Tax Act, 1961 for the Assessment Year 2006-2007

Our Company received a notice bearing No. PTN.ACIT/07-08/ACIT dated June 20, 2007 issued by the Assistant Commissioner of Income Tax, Patan regarding default in payment of dues under S. 156 Income Tax Act, 1961 (the "IT Act") and for interest in lieu of demand in default under S. 220(2) of IT Act for the Assessment Year 2006-07 for the amount Rs. 21,235. In addition to this our Company was also asked to show cause why penalty under S. 221(1) should not be levied for the demand outstanding. Our Company will ask for rectification under S.154 of the Income Tax Act, 1961 for adjustment of tax payable against rectification/refund of the earlier year. However, the matter is currently pending before the Department of Income Tax.

2. Notice under S. 142(1) of the Income Tax Act, 1961 for the Assessment Year 2005-2006

Our Company received a notice bearing No. Addl.CIT/Patan/127/143(2)/GRSL/2007-2008 dated August 8, 2007 issued by the Additional Commissioner of Income Tax, Patan Range, Patan under S. 142(1) of IT Act for the Assessment Year 2005-2006. Accordingly, our Company was asked to furnish details regarding alleged excessive loss being shown in refining palm oil and soyabean oil, in addition to certain other documents to be submitted by us. The assessment is still pending and our Company vide its consultant D.P. Thakker & Co. has taken an adjournment while personal hearing held on August 17, 2007.

3. Notice under S. 142, 147 and 148 of the Income Tax Act, 1961 for the Assessment Year 2003-2004

Our Company received notice dated December 4, 2006 issued by the Income Tax Officer, Ward-1, Patan (N.G.) under S.142 of IT Act for the Assessment Year 2003-2004. Our Company vide its letter dated December 14, 2006 has replied and questioned the validity of notices issued under S. 147 and S.148 of IT Act on the ground that the assessment proceedings of these years has already been completed under S. 143(3) of IT Act.

4. Notice under S. 156 of the Income Tax Act, 1961 for the Assessment Year 2003-2004

Our Company received notice issued by the Deputy Commissioner of Income Tax, Patan Circle, Patan under S. 156 of IT Act for the Assessment Year 2003-2004 regarding demand for tax payable of Rs. 50,687. Our Company filed an appeal against the said demand, which the appellate court partly allowed and our Company was served with a fresh notice for payment of tax of Rs. 38,873. Our Company has vide its consultant M/s. D.P. Thakkar & Co. filed a reply dated August 25, 2006 for making adjustment of the said demand against refunds/rectification of earlier years.

5. Notice under S. 142, 147 and 148 of the Income Tax Act, 1961 for the Assessment Year 2002-2003

Our Company received notice dated December 4, 2006 issued by the Income Tax Officer, Ward-1, Patan (N.G.) under S. 142 of IT Act for the Assessment Year 2002-2003. Our Company vide its letter dated December 14, 2006 has replied and questioned the validity of notices issued under S. 147 and S.148 of IT Act on the ground that the assessment proceedings of these years has already been completed under S. 143(3) of IT Act.

Service Tax

1. Notice from the Office of the Superintendent of Central Excise

Our Company received notice bearing No. AR-SDH/CERA/GOKUL/Misc./2007 dated August 16, 2007 issued by the Superintendent, Central Excise, AR Sidhpur regarding unpaid service tax on Business Auxiliary Services and asking our Company to get registration no. for service tax and to pay

the said tax. Subsequent to this notice our Company received another notice bearing No. AR-SDH/CERA-Hokul/2007/450 dated September 21, 2007 issued by the Superintendent, Central Excise, AR Sidhpur asking our Company to submit information/documents related to total quantities and value of crude palm oil imported in high-sea purchase during the period September 10, 2004 to March 31, 2006, quantities of such imported crude palm oil used in the manufacture of final oil products, details of statements showing quantities and value of such imported crude palm oil to various purchasers during 2004-2005 and 2005-2006, copies of high-sea sales agreement for imported crude palm oil and bill of entry and invoices and list of storage charges, port charges, CHA charges for supply of such imported crude palm oil to various purchasers. Our Company has provided the above information vide its reply dated October 8, 2007.

C. POTENTIAL LITIGATION

Civil Litigation

Notices Issued by our Company to recover money

1. Mahavir Traders, Dahegam

Our Company sold 100 tins of refined soya bean oil worth Rs. 69,525 on February 5, 2003. On July 31, 2003, our Company sent a notice to Mahavir Traders, asking them to pay back entire money payable within ten days along with 24% interest, plus notice charges. This matter is currently pending.

2. Prafulkumar Jayantibhai Vadheria

Our Company had agreed to buy a second hand hero Honda splendor bike, 1996 model, bike no. GJ 3M 5832. Our Company paid Rs. 20,000 in cash on October 25, 2001. On January 8, 2002, our Company through its advocate issued a notice to Prafulkumar to recover back the money because Prafulkumar never delivered the vehicle. The matter is currently pending.

Legal Notices Issued to our Company

1. Notice to Gokul Refoils and Solvent Limited related to Pollution Control

On September 14, 2007, a legal notice was sent to our Company by Kirtidev Dave, Advocate on behalf of Mrs. Krishna Chaudhary and Ramesh Garva, in respect of our unit located at Anjar, Kutch for production of refined soyabean oil and refined palm oil. The notice alleged that our Company's factory was creating air pollution and that we were not taking sufficient steps to control and curb the pollution. However, because this is not a legal notice by any statutory authority, our Company has not replied to this notice as there are no legal consequences or liability that can be imposed upon our Company based on this notice. Moreover, our Company has the consolidated consent of the Gujarat Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1981, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Wastes (Management and Handling) Rules, 1989 for our unit at Anjar vide consent No. 3774 dated August 28, 2004 and valid for five (5) years.

2. Hari Om Industries (partnership firm), Bharuch, Gujarat

Hari Om Industries had sold cotton oil, quantity 9660 kg to our Company for consideration of Rs. 44.70 per kg aggregating to Rs. 4,49,074, vide bill no. 28, dated April 29, 2007. On May 14, 2007 our Company paid Rs. 4,42,496 and the balance of Rs. 6,578 is under dispute. A legal notice against our Company was issued by the advocate of Hari Om Industries on September 12, 2007 to recover the balance amount plus notice cost of Rs.750. Our Company replied to this notice on September 21, 2007, stating that the goods delivered were of substandard quality, along with a laboratory report, which was also submitted to Hari Om and the consideration was paid according to quality, which is why nothing more is payable by our Company to Hari Om now. This matter is currently pending.

3. Mr. Maheshkumar Bafna

On August 31, 2007 Mr. Maheshkumar Bafna sent a legal notice to our Company through his advocate Mr. A.M. Pande alleging illegal retrenchment and demand for reinstatement along with retrenchment

compensation including, arrears of salary, expenditure incurred and contribution to Provident Fund, with the total amount being Rs. 76,000. Our Company replied to this notice on October 6, 2007 through its advocate Mr. Bipin Thakker, stating that the notice is based on false assumptions and that Mr. Maheshkumar Bafna is not entitled to receive anything from our Company as he has received all his dues at the time of termination. This matter is currently pending.

4. Sri Gangadhareshwara Rice Industries, Tumkur

Our Company was a tenant of Sri Gangadhareshwara Rice Industries, Tumkur (the “Lessor”) paying monthly rent of Rs. 55,000. The lease agreement was for a period of 11 months and according to the agreement entered between the two parties on August 30, 2006, the Lessor had to construct 4500 sq feet of building within a specified period to make the godown 10,000 sq feet. Our Company paid an advance of Rs. 2,50,000 to the Lessor. Thereafter, we deducted Rs. 85,000 and the remaining was to stay with the Lessor as security deposit. Our Company vacated the premises before the completion of the lease period after giving one-month notice as per the terms of the lease agreement. In response to this a notice was issued to our Company on August 10, 2007 alleging that we had violated the terms of the lease agreement. Our Company replied to this notice through its advocate, Mr. Bipin Thakker on September 6, 2007, wherein we submitted that the Lessor was in breach of the terms of the lease agreement as it had failed to complete the built-up area and that we had not violated any terms of the agreement as we had paid rent up to May 31, 2007, which was the day of our vacating the godown. Thereafter, another notice was sent by the Lessor, dated September 20, 2007 alleging that our Company had given an assurance of continuing the lease for a period of 3 years and that we were liable to pay rent from March 1, 2007 until the date of the notice. Our Company replied to this notice on October 25, 2007 saying that adequate notice, as per the terms of the lease agreement was provided to the Lessor by our Company before vacating the premises and that the Lessor is in illegal possession of our Company’s assets worth Rs. 1,50,000 in its godown which it must hand over. This matter is currently pending.

5. M/s. Ennar Enterprises, Tumkur

Our Company was a tenant of M/s Ennar Enterprises, Tumkur (the “Lessor”) for godown no. 234/38 situated at A.P.M.C. yard, Tumkur on a monthly rent of Rs. 17,820 as per the lease agreement entered on September 15, 2006. The lease was for a period of 11 months commencing from September 15, 2006 until August 15, 2007. Our Company made an advance payment of Rs. 53,460 at the time of occupation of the premises. On December 5, 2006 our Company sent a notice to the Lessor that we are vacating their premises on January 5, 2007. Thereafter, on July 21, 2007, the Lessor issued a legal notice to our Company alleging that we had vacated the godown in violation of the terms of the lease agreement and that we are liable to pay rent for the remaining period of the lease agreement (until August 15, 2007), and that out of the total rent of Rs. 1,96,020 the balance outstanding is Rs. 1,42,560. Our Company replied to this notice and another notice dated August 30, 2007, on August 28, 2007 and September 19, 2007, respectively wherein we have stated that our agreement was with M/s N.R. Enterprises and not with M/s Ennar Enterprises and hence the notice is invalid per se. This matter is currently pending.

D. CASES FILED BY AND AGAINST OUR DIRECTORS

CASES FILED BY OUR DIRECTORS

There are no cases filed by our Directors

CASES AGAINST OUR DIRECTOR

Civil Litigation

Cases under the Motor Vehicles Act, 1988

1. Case filed by Rajubhai Harunbhai Gunj and Madinaben Rajubhai against Dineshkumar Harishankar Sharma, Director of Gokul Refoils and Solvent Limited (“GRSL”)

The claimants being Rajubhai Harunbhai Gunj and Madinaben Rajubhai, have filed a claim (Case no.

197/2006) against our Director, Mr. Dineshkumar Harishankar Sharma and the Oriental Insurance Company Limited before the Motor Accident Claims Tribunal, Surendranagar (MACT) on account of injuries sustained by the claimant due to an accident which took place on June 14, 2006 with a Toyota Quallis being driven by an employee of our Company. The claimant has prayed for a claim amount of Rs. 4,00,000. The claim is pending before the MACT and no reply has been filed by our Company or Mr. Dineshkumar Sharma until date as the case is primarily against the insurance company and we are involved merely because of third party insurance clause.

2. Case filed by Bhupendra Kumar Natwarlal Golwala against Dineshkumar Harishankar Sharma, Director of GRSL

The claimant being Bhupendra Kumar Natwarlal Golwala, has filed a claim (Case no. 790/2005) against our Director, Mr. Dineshkumar Harishankar Sharma and the Oriental Insurance Company Limited before the Motor Accident Claims Tribunal, Surat (MACT) on account of injuries sustained by the claimant due to an accident which took place on April 25, 2005 with a Hero Honda Splendor being driven by an employee of our Company. The claimant has prayed for a claim amount of Rs. 3,00,000 and has filed an application for interim relief under S. 140 of the Motor Vehicles Act, 1988 for an amount of Rs. 25,000. The claim is pending before the MACT and no reply has been filed by our Company or Mr. Dineshkumar Sharma until date as the case is primarily against the insurance company and we are involved merely because of third party insurance clause. The case will be placed in Lok Adalat in November 2007, and the insurance company will plead.

3. Case filed by Kishor Bhagwandas Zandawala against Dineshkumar Harishankar Sharma, Director of GRSL

The claimants being Kishor Bhagwandas Zandawala, has filed a claim (Case no. 260/1997) against our Director, Mr. Dineshkumar Harishankar Sharma and the Oriental Insurance Company Limited before the Motor Accident Claims Tribunal, Ahmedabad (MACT) on account of injuries sustained by the claimant due to an accident which took place on October 11, 1996 with a Maruti Esteem being driven by an employee of our Company. The claimant has prayed for a claim amount of Rs. 2,00,000. The claim is pending before the MACT and no reply has been filed by our Company or Mr. Dineshkumar Sharma until date as the case is primarily against the insurance company and we are involved merely because of third party insurance clause.

E. PENALTIES LEVIED AGAINST OUR COMPANY
NIL

F. AMOUNT OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

There are no small-scale undertakings and other creditors to whom our Company owes a sum exceeding Rs. one (1) lakh which is outstanding more than thirty (30) days, as on March 31, 2007.

G. Cases with respect to our Promoter/Group Companies and other ventures of Promoters

(i) Gokul Overseas
Income Tax Notice

1. Assessment Year 2006-2007

Gokul Overseas ("GO") received notice u/s 142(1) of the Income Tax Act, 1961 dated 21 February 2007 issued by the Assessing Officer, Income Tax Office, Patan for the Assessment Year 2006-2007. This matter is currently pending assessment.

(ii) Gokul Textiles Private Limited
Income Tax Notice

1. Assessment Year 2006-2007

Gokul Textiles Private Limited ("GTPL") received notice dated October 8, 2007 issued by the Assessing Officer, ITO Ward 4(1), Ahmedabad under S. 143(2) of IT Act for the Assessment Year 2006-2007. Accordingly, GTPL was asked to furnish information regarding return of income submitted by GTPL on December 20, 2006. The assessment for this matter is currently pending while GTPL has taken an adjournment for the same through personal hearing held on October 17, 2007.

GOVERNMENT APPROVALS

Except as mentioned below, our Company has received the necessary consents, licenses, permissions and approvals from the Government/RBI and various other government agencies required for our present business. Our Company can undertake this Issue and all the present activities in view of the present approvals and no further major approvals from any statutory body are required by our Company to continue our present activities.

Further, our Company has applied for various approvals, licences and is in the process of applying other licenses for the proposed activities as contained in the section titled "Objects of the Issue" beginning on page 63 of this Draft Red Herring Prospectus.

The following statement provides the details of the licenses, permissions and approvals obtained by the Company under various central and state laws to carry out its business.

Sr. No.	Issuing Authority	Registration/ License No.	Nature of Registration/ License	Date of Issue	Validity/ Date
Incorporation and other statutory compliances					
1.	Registrar of Companies, Gujarat, Dadra & Nagar Haveli	04-18745	Certificate of Incorporation	29/12/1992	N.A.
2.	Registrar of Companies, Gujarat, Dadra & Nagar Haveli	04-18745	Fresh Certificate of Incorporation consequent to conversion from private to public company	01/07/1994	N.A.
Income Tax					
1.	Jt. Commissioner of Income Tax (Systems), Ahmedabad	AAACG8316N	Permanent Account Number (PAN)	12/01/1994	Until cancelled
2.	Department of Income Tax, (For Sidhpur)	AHMGO1353C	Tax Deduction Account Number (TAN)	10/01/2003	Until cancelled
3.	Department of Income Tax, (For Gandhidham)	RKTGO1040E	Tax Deduction Account Number (TAN)	05/01/2006	Until cancelled
Excise and Service Tax					
1.	Central Excise and Customs Commissionerate, Gandhidham	AR/GIM/GTA-376/2004-05	Service Tax registration for goods transport agency to Gandhidham unit	31/01/2005	Until cancelled
2.	Central Excise Division I, Mehsana, Ahmedabad -III	AIID-III/GTA/1610	Service Tax registration for goods transport agency to Sidhpur unit	24/02/2005	Until cancelled

3.	Central Excise Division, Surat	SRT-1/OLPAD/S.TAX/287/GTA/2007	Service Tax registration for goods transport agency to Surat unit	12/06/2007	Until cancelled
4.	Asst. Commissioner, Central Excise, Division, Bhuj	AAACG8316NX M002	Registration under Rule 9 of the Central Excise Rules, 2002 for Gandhidham unit	17/10/2003	Until cancelled
5.	Asst. Commissioner, Central Excise, Division, Bhuj Mehshana	AAACG8316NX M001	Registration under Rule 9 of the Central Excise Rules, 2002 for Sidhpur unit	20/03/2003	Until cancelled
6.	Asst. Commissioner, Central Excise, Division, Surat	AAACG8316NX M004	Registration under Rule 9 of the Central Excise Rules, 2002 for Surat unit	03/08/2007	Until cancelled
7.	Asst. Commissioner, Central Excise, Division, Abu, Road	AAACG8316NX D001	Registration under Rule 9 of the Central Excise Rules, 2002 for Sumerpur Depot	23/08/2003	Until cancelled
8.	Asst. Commissioner, Central Excise, Division, Gaziabad	AAACG8316NX D002	Registration under Rule 9 of the Central Excise Rules, 2002 for Gaziabad Depot	13/05/2004	Until cancelled
9.	Asst. Commissioner, Central Excise, Division, Sangroor	AAACG8316NX D004	Registration under Rule 9 of the Central Excise Rules, 2002 for Abohar Depot	07/07/2005	Until cancelled
Sales Tax					
1.	Sales Tax Officer, Sidhpur	24530400510	Registration under Central Sales Tax (Registration and Turnover) Rules, 1957	11/09/1993 w.e.f. 01/07/1994	Until cancelled
2.	Sales Tax Dept., Gujarat State	0304005100	Registration under Gujarat Sales Tax Act, 1969	19/12/2005 w.e.f. 01/07/2002	Until cancelled

3.	Department of Sales Tax, Govt. of Maharashtra	VAT TIN: 27730047998V CST TIN: 27730047998C	Consolidated VAT and CST registration	01/04/2006	Until cancelled
4.	Professional Tax Officer, Sales Tax Department, Sidhpur	E-228092820	Professional Tax Registration of Company	30/8/1993	Until cancelled
5.	Professional Tax Officer, Sales Tax Department, Sidhpur	R-228002442	Professional Tax Registration for employee of Company	30/8/1993	Until cancelled
6.	Professional Tax Officer, Sales Tax Department, Gandhidham	0110000033 & P/E0140000075	Professional Tax Registration for employee of Company	30/8/1993	Until cancelled
7.	Department of Sales Tax, Govt. of Haryana	TIN No. 06092231536	Sales Tax Registration	11/05/2004	Until cancelled
8.	Department of Sales Tax, Govt. of Himachal Pradesh	SOL-III-8176	Sales Tax Registration	27/05/2004	Until cancelled
9.	Department of Sales Tax, Govt. of Himachal Pradesh	SOL-III-8176	Sales Tax Registration	27/05/2004	Until cancelled
10.	Department of Sales Tax, Govt. of Uttaranchal	5005423198	Sales Tax Registration	06/07/2005	Until cancelled
11.	Department of Sales Tax, Govt. of Uttaranchal	5005423198	Sales Tax Registration	01/05/2006	Until cancelled

12.	Department of Sales Tax, Govt. of Uttar Pradesh	GC 5067377	Sales Tax Registration	13/05/2004	Until cancelled
13.	Department of Sales Tax, Govt. of Delhi	07180272070	Sales Tax Registration	27/11/2006	Until cancelled
14.	Department of Sales Tax, Govt. of Rajasthan	081933301552	Sales Tax Registration	23/04/2006	Until cancelled
15.	Department of Sales Tax, Govt. of Rajasthan	081933301552	Sales Tax Registration	23/04/2006	Until cancelled
16.	Department of Sales Tax, Govt. of Rajasthan	081933301552	Sales Tax Registration	23/06/2007	Until cancelled
17.	Department of Sales Tax, Govt. of Punjab	03701124189	Sales Tax Registration	05/04/2007	Until cancelled
18.	Department of Sales Tax, Govt. of Punjab	03701124189	Sales Tax Registration	21/06/2007	Until cancelled
19.	Department of Sales Tax, Govt. of West Bengal	193036022	Sales Tax Registration	08/06/2006	Until cancelled
20.	Deputy Commissioner Commercial Taxes, Jamshedpur	20771105089	Sales Tax Registration	21/11/2006	Until cancelled
Import-Export					

1.	Jt. Director General of Foreign Trade, Ahmedabad	IEC No. 0895000156	Certificate of Importer- Exporter Code (IEC)	18/03/2004	Until cancelled
2.	Jt. Director General of Foreign Trade, Ahmedabad	A 002450	One Star Export House Status	26/12/2006 w.e.f. 01/04/2006	31/03/200 9
3.	Federation of Indian Export Organization, New Delhi	RCMC No: 3161/2005-2006	Registration cum Membership Certificate of Federation of Indian Export Organizations	16/05/2000	31/03/200 8
Environment					
1.	I/C, Gujarat Pollution Control Board, Gandhinagar	3774	Consolidated Consent and Authorization (CC&A) for Gandhidham unit under the provisions of Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Wastes (Management and Handling) Rules, 1989 framed under the Environmental Protection Act, 1986	25/08/2004	12/07/200 9
2.	Environmental Engineer, Gujarat Pollution Control Board, Gandhinagar	938	Consolidated Consent and Authorization (CC&A) for Sidhpur unit under the provisions of Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Wastes (Management and Handling) Rules, 1989 framed under the Environmental Protection Act, 1986	28/11/2003	12/07/200 9

3.	Environmental Engineer, Gujarat Pollution Control Board, Gandhinagar	CCA-SRT-86/15422	Consolidated Consent and Authorization (CC&A) for Surat unit under the provisions of Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Wastes (Management and Handling) Rules, 1989 framed under the Environmental Protection Act, 1986	28/05/2007	31/10/2008
Others					
1.	Ministry of Commerce and Industry, Secretariat of Industrial Assistance, Department of Industrial Policy and Promotions, New Delhi	2237/SIA/IMO/2003	Registration under SIA for Gandhidham	18/08/2003	Until cancelled
2.	Ministry of Commerce and Industry, Secretariat of Industrial Assistance, Department of Industrial Policy and Promotions, New Delhi	958/SIA/IMO/2007	Registration under SIA for Surat	26/03/2007	Until cancelled
3.	Ministry of Commerce and Industry, Secretariat of Industrial Assistance, Department of Industrial Policy and Promotions, New Delhi	1706/SIA/IMO/1995	Registration under SIA for Sidhpur	31/03/1995	Until cancelled
4.	Ministry of Commerce and Industry, Secretariat of Industrial Assistance, Department of Industrial Policy and Promotions, New Delhi	1721/SIA/IMO/2001	Registration under SIA for Sidhpur	02/08/2001	Until cancelled

5.	Ministry of Commerce and Industry, Secretariat of Industrial Assistance, Department of Industrial Policy and Promotions, New Delhi	4987/SIA/IMO/2005	Registration under SIA for Sidhpur	24/10/2005	Until cancelled
6.	Ministry of Civil Supplies, Consumer Affairs and Public Distribution, Directorate of vanaspati, vegetable oils and fats	1138	Registration as user of Solvent Extracted Oil under the Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 to Gandhidham	06/04/2004	N.A.
7.	Ministry of Civil Supplies, Consumer Affairs and Public Distribution, Directorate of vanaspati, vegetable oils and fats	1402-B	Registration as user of Solvent Extracted Oil under the Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 to Sidhpur unit	18/03/2004	N.A.
8.	Ministry of Civil Supplies, Consumer Affairs and Public Distribution, Directorate of vanaspati, vegetable oils and fats	BOP/GUJ/V-12/2004	Registration under the Vegetable Oils Products Regulation Order, 1998	07/6/2004	N.A.
9.	Mamlatdar, Anjar	EOP/1/2004	Registration under the Edible Oil (Packing and Regulation) Order, 1998 for Gandhidham unit	25/02/2004	25/02/2008
10.	Mamlatdar, Sidhpur	EOP/GUJ/001	Registration under the Edible Oil (Packing and Regulation) Order, 1998 for Sidhpur unit	12/09/2001	31/08/2010
11.	Mamlatdar, Surat	EOP/Gujarat/6	Registration under the Edible Oil (Packing and Regulation) Order, 1998 for Surat unit	12/03/2007	11/03/2010

12.	Superintendent of Prohibition and Excise	4/07-08	License for possession and use of rectified spirit under Bombay Prohibition Act, 1949 for Gandhidham unit.	01/04/2007	31/03/2008
13.	Superintendent of Prohibition and Excise	04/07-09	License for possession and use of rectified spirit under Bombay Prohibition Act, 1949 for Sidhpur unit	08/03/2006	31/03/2008
14.	Superintendent of Prohibition and Excise	53/07-08	License for possession and use of rectified spirit under Bombay Prohibition Act, 1949 for Surat unit	27/09/2007	31/03/2008
15.	Deputy Chief Supervisor under Factories Act	089070 221 (211.2) 808/A	Registration and License under the Factories Act, 1948 for Sidhpur unit	08/10/1993	31/12/2007
16.	Chief Supervisor under the Factories Act	001072 15147/1319/A	Registration and License under the Factories Act, 1948 for Surat unit	16/02/2004	31/12/2008
17.	Chief Supervisor of the Factories, Gujarat State	091283 1591417/275A/2 (G) V7	Registration and License under the Factories Act, 1948 for Gandhidham unit	01/04/2004	31/12/2007
18.	Collector and District Magistrate, Patan	1/2001	License for Solvent, Raffinating, Slop under The Solvent, Raffinate and Slop Acquisition, Sale, Storage and Prevention of Use in Automobiles, Order, 2000	15/03/2001	15/03/2008
19.	Collector of Electricity Duty, Gandhinagar	KUTCH/EX GS /5-4 -2004 /15196, EX\GS\6-4-06 \1549 EX\GS\19-7-07 \23060 EX\GS\04-03-05 \12081 (For Kutch Unit)	Certificate for exemption from payment of electricity duty under Bombay Electricity Duty Act, 1958 for energy consumed for motive power and industrial lighting	01/06/2004	08/04/2009

20.	Supervisor of Steam Boilers and Smoke Nuisances, Mehsana	GT3940	Registration under Indian Boilers Regulation, 1950 for Sidhpur unit	18/04/2007	17/04/2008
21.	Supervisor of Steam Boiler And Smoke Nuisance, Rajkot, Gujarat State	GT4790	Registration under Indian Boilers Act, 1923 for Gandhidham unit	17/09/2007	09/02/2008
22.	Supervisor of Steam Boiler and Smoke Nuisance, Rajkot, Gujarat State	GT4689	Registration under Indian Boilers Act, 1923 for Gandhidham unit	01/08/2006	19/01/2008
23.	Supervisor of Steam Boiler and Smoke Nuisance, Rajkot, Gujarat State	GT4807	Registration under Indian Boilers Act, 1923 for Gandhidham unit	05/10/2006	02/03/2008
24.	Supervisor of Steam Boiler and Smoke Nuisance, Rajkot, Gujarat State	GT4808	Registration under Indian Boilers Act, 1923 for Gandhidham unit	05/10/2006	02/03/2008
25.	Supervisor of Steam Boiler and Smoke Nuisance, Surat, Gujarat State	GT 4625	Registration under Indian Boilers Act, 1923 for Surat unit	06/09/2007	27/02/2008
26.	Mamlatdar, Anjar	1/2004	License for purchase, sale and storage of essential articles under the Gujarat Essential Articles (Licenses, Control and Stock, Declarations) Order, 1981	25/02/2004	31/12/2008
27.	Asst. Commissioner and Local Health Authority, Foods and Drugs Control Administration, Bhuj	AD/BJC/BJ/1351	License under Prevention of Food Adulteration Act, 1954 for Gandhidham unit	12/03/2004	31/03/2008

28.	Licensing Officer, Sidhpur Nagarpalika, Gujarat State	31 Receipt No. 12762	License under Prevention of Food Adulteration Act, 1954 for Sidhpur unit	17/07/2007	31/03/2010
29.	Asst. Commissioner and Local Health Authority, Foods and Drugs Control Administration, Surat	AC/STC/KM/348/4898/Surat	License under Prevention of Food Adulteration Act, 1954 for Surat unit	10/04/2007	31/03/2011
30.	Deputy Chief Controller of Explosives, Department of Explosives	PV(WC)S-1087/G	Exemption under Rule 3 of SMPV (U) Rules, 1981	25/02/2005	N.A.
31.	Commissioner of Electricity, Gandhinagar	TATAN/276	Registration of Generating Set	16/01/1999	N.A.
32.	Chief Controller of Explosives, Dept. of Explosives, Ministry of Commerce and Industry from Nagpur	P-12(25)2854	License to import and store petroleum in installation under the Petroleum Act, 1934 for Sidhpur unit	22/03/1995	31/12/2008
33.	Chief Controller of Explosives, Dept. of Explosives, Ministry of Commerce and Industry from Nagpure	P/HQ/GJ/4530 (P57056)	License to import and store petroleum in installation under the Petroleum Act, 1934 for Gandhidham unit	29/03/2004	31/12/2010
34.	Office of District Magistrate, Bhuj	52/2004	LDO Storage & Usage License	21/07/2004	31/12/2008
35.	Airport Authority	Ref no. BT/NOC/380-I/2004-06	Permission to construct chimney at Gandhidham unit	17/08/2004	17/08/2007

36.	Office of the Regional Provident Fund Commissioner, Ahmedabad	GJ/AH/26015	Employee's Provident Fund and Miscellaneous Provisions Act, 1952	25/07/1996	Until cancelled
37.	Office of the Regional Provident Fund Commissioner, Rajkot	GJ/AH/26015	Employee's Provident Fund and Miscellaneous Provisions Act, 1952	22/03/2005	Until cancelled
38.	Office of the Regional Provident Fund Commissioner, Surat	GJ/AH/26015	Employee's Provident Fund and Miscellaneous Provisions Act, 1952	14/05/2007	Until cancelled
39.	Director, Bureau of Indian Standards	CML-7317973	Registration under Bureau of Indian Standards	22/04/2004	04/05/2008
40.	Deputy Agricultural and Marketing Advisor, Directorate of Marketing and Inspection	A/1 008877	AGMARK license issued under the Agricultural Produce (Grading & Marking) Act, 1937	22/03/1995	31/03/2009
41.	Chairman, Agricultural Produce Market Committee, Sidhpur	101	Registration under Gujarat Agricultural Produce Markets Act, 1963	25/04/2007	31/03/2008
42.	ISOQAR	6062QMS002	Certificate of Registration under ISO 9001	26/02/2007	26/02/2010
43.	Deputy General Manager, Marketing, Gujarat Mineral Development Corporation	2724	Registration for use of lignite in industrial undertaking	20/06/1995	Until cancelled
44.	Deputy General Manager, Marketing, Gujarat Mineral Development Corporation	4138	Registration for use of lignite in industrial undertaking	17/05/2007	Until cancelled

45.	Assistant Commissioner, Scientific Legal Department, Food, People & Supply Division, Govt. of Gujarat	GUJ/40/2004	Registration under the Standard of Weights and Measures (Packaged Commodities) Rules, 1977 for Gandhidham unit	05/03/2004	N.A.
46.	Assistant Commissioner, Scientific Legal Department, Food, People & Supply Division, Govt. of Gujarat	GUJ/MV/MT/PR ANT/25/30	Registration under the Standard of Weights and Measures (Packaged Commodities) Rules, 1977 for Sidhpur unit	11/09/2000	N.A.
47.	Junior Inspector	0084	Registration under the Standard of Weights and Measures (Packaged Commodities) Rules, 1977 for Surat unit	23/02/2007	22/02/2008
48.	Profession Tax Officer, Sidhpur	R224002442 (Transfer to sales tax section)	Registration under Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976	25/08/1993	Until cancelled
49.	Assistant Commercial Tax Commissioner, Surat	PR2238000018	Registration under Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976	05/09/2007	Until cancelled
50.	Secretary, Gandhidham Development Authority	30223 30321	Permission under the Gandhidham (Development and Control on Erection of Buildings) Act, 1957	29/09/2005 10/11/2005	29/09/2007 10/11/2007
51.	Deputy Director, Gujarat Energy Development Agency	Ref No. GEDA/SGWPL/P WF/GR & SL/Kadoli/2006-07/6780	Permission for setting up Wind-farm at Kadoli	16/12/2006	Until cancelled
52.	Registering Officer	59/2003	Registration as the principal employer under Contract Labour (Regulation and Abolition) Act, 1970 for Gandhidham unit	01/06/2006	N.A.
53.	Inspector, Bombay Shops and Establishments	KE-11/016815	Registration under Bombay Shops and Establishments Act, 1948	30/09/2005	30/10/2008

54.	Deputy Municipal Commissioner, Ahmedabad	PII/EL/10/000013 6 (ELLISBRIDGE)	Registration under Ahmedabad Shops and Establishments Act	25/10/2007	31/12/2007
55.	Kolkata Municipal Corporation	108610	Trade License of Camac Street Depot in Kolkata	19/04/2007	31/03/2008
56.	Licensing Officer, Shivganj Nagarpalika, Rajasthan	PTAII	Trade License of Shivganj in Rajasthan	21/10/2007	31/12/2007
57.	Commissioner, Guwahati Municipal Corporation	552076	Trade License of Guwahati	16/07/2004	31/03/2007

Approvals received for the proposed project,

1.	Environmental Engineer, Gujarat Pollution Control Board, Gandhinagar	GPCB/CCA-KUTCH-468/26911	Consent under the provisions of Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Wastes (Management and Handling) Rules, 1989 framed under the Environmental Protection Act, 1986 to establish soya bean plant at Gandhidham unit	07/09/2007	06/09/2012
2.	Asst. Commissioner, Central Excise, Division, Bhuj	AAACG8316NX M005	Central Excise Registration under Rule 9 of the Central Excise Rules, 2002 for new plant at Gandhidham unit	25/10/2007	Until cancelled
3.	Ministry of Commerce and Industry, Secretariat of Industrial Assistance, Department of Industrial Policy and Promotions,	372/SIA/IMO/2007	Registration under SIA for Gandhidham Soya Plant	02/02/2007	N.A.

	New Delhi				
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Approvals applied for, but not yet received			
Sr. No.	Approvals/Consent	Authority	Date of Application
1.	Application for increase in consumption and possession of spirit in Gandhidham unit	Superintendent of Prohibition and Excise	03/10/2007
3.	Application for renewal of registration under the Factories Act	Office of the Supervisor of Factories	10/10/2007
4.	Application for expansion of electricity connection of Gandhidham unit	Gujarat Electricity Board	27/09/2007
5.	Application for license under the Solvent Extracted Oil under the Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 to Surat unit	Ministry of Civil Supplies, Consumer Affairs and Public Distribution, Directorate of vanaspati, vegetable oils and fats	10/04/2007
6.	Assistant Labour Commissioner	Application for registration under the Contract Labour (Regulation and Abolition) Act, 1970 for Sidhpur unit	02/11/2007
7.	Application for Trade License for Agarpara premise, West Bengal	Executive Officer, Panihati Municipality	01/11/2007
8.	Permission under the Gandhidham (Development and Control on Erection of Buildings) Act, 1957	Secretary, Gandhidham Development Authority	26/03/2007
9.	Sales Tax Registration for Agra, Uttar Pradesh premise	Department of Sales Tax, Govt. of Uttar Pradesh	05/11/2007

Approvals for which application is yet to be made		
Sr. No.	Approvals/Consents	Authority
1.	Addition of branch address for Jind in Sales Tax Registration, Haryana	Department of Sales Tax, Govt. of Haryana
2.	Addition of branch address for Kanpur Sales Tax Registration, Uttar Pradesh	Department of Sales Tax, Govt. of Uttar Pradesh
3.	Registration under Shops and Establishments Act for Kolkata Camac Street premises, Summerpur premises (Rajasthan), Agarpara premises (West Bengal), Abohar premises (Punjab) and Gaziabad premises (Uttar Pradesh)	Respective Municipal corporations / local authorities
4.	Renewal of the Trade License for Guwahati premise	Commissioner, Guwahati Municipal Corporation
5.	Application for additional 800 KVA at Surat unit.	Electricity Board.
6.	Various contractors engaged by us have not obtained registrations under section 12 of the Contract Labour (Regulation and Abolition) Act, 1970	--

SECTION VII – ISSUE RELATED INFORMATION OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The present Issue has been authorized by the Board of Directors, in their meeting on August 10, 2007, and by the shareholders of our Company at an extraordinary general meeting held on September 6, 2007.

Prohibition by SEBI, RBI or governmental authorities

The Company, our Directors, our Promoters, our group companies, associates of our group companies and other companies promoted by our Promoter and companies with which our Company's Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither we nor our Directors, associates, Promoters, Promoter Group companies or relatives of our Promoters have been detained as willful defaulters by the RBI or government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

Our company is an unlisted company in terms of the SEBI Guidelines; and this Issue is an "Initial Public Offer" in terms of the SEBI Guidelines.

Our Company is eligible for issue under 2.2.1 as certified by our Statutory Auditors M/s M. R. Pandhi & Associates, vide their certificate dated November 5, 2007.

As per clause 2.2.1 of SEBI (DIP) Guidelines, a company may make an initial public offering (IPO) of equity shares or any other security, which may be converted into or exchanged with equity shares at a later date, only if it meets all the following conditions:

- a) The company has net tangible assets of at least Rs. 3 crores in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets;
The Company has net tangible assets of at least Rs. 3 crores in each of the preceding three full years (of 12 months each), of which not more than 50% were held in monetary assets; hence it complies with this clause.
- b) The company has a pre-issue net worth of not less than Rs. 1 crore in each of the three preceding full years;
The Company has a networth of more than 1 crore in each of the preceding three years; hence it complies with this clause.
- c) The company has a track record of distributable profits as per section 205 of Companies Act for at least three out of immediately preceding five years;
The Company has a track record of distributable profits as per section 205 of Companies Act, 1956; hence it complies with this clause.
- d) In case the company has changed its name within the last one year, atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name; and
The Company has not changed its name within the last one year; hence this clause is not applicable
- e) The aggregate of the proposed issue and all previous issue made in the same financial year in term of size (i.e. offer through offer document + firm allotment + promoters ' contribution through the offer document),does not exceed five (5) times the pre- issue net worth as per audited balance sheet for the year ended March 31, 2007.

The pre-issue net worth of the company is Rs. 123.84 Crores. 5 times the existing net worth is Rs. 619.20 crores, whereas the IPO is expected to be less than 5 times the existing net worth. Hence the company is complying with this clause.

The company is complying with all the clauses of 2.2.1 of SEBI(DIP) Guidelines and hence is eligible to make an Initial Public Issue under this clause.

(Rs. in
Crores.)

Particulars	31.03.2007	31.03.2006	31.03.2005
Net Tangible Assets ⁽¹⁾	213.86	131.47	128.80
Monetary Assets ⁽²⁾	22.64	4.61	15.53
Monetary Assets as a % of Net Tangible Assets	11%	4%	12%
Net Worth ⁽³⁾	123.84	96.78	85.56
Distributable Profit ⁽⁴⁾	26.80	10.97	18.00

1. Net Tangible Assets are defined as the sum of all net fixed assets (including capital work in progress and excluding revaluation reserve, if any), excluding intangible assets as defined in Accounting Standard 26 issued by ICAI and including Net Current Assets and Trade Investment, if any, excluding Non trade Investments and Deferred Tax Assets.
2. Monetary Assets are defined as the sum of cash on hand, Non Trade Investments, Balance with Scheduled Bank in Current accounts and Fixed Deposits (other than fixed deposits held as margin and pledged against loan or Letter of credit facilities) and public deposit account with the Government, if any.
3. Net Worth has been computed as the aggregate of equity shares capital and reserves, excluding miscellaneous expenditure not written off, if any.
4. Distributable profits have been computed in terms section 205 of the Companies Act, 1956.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, the Company shall ensure that the number of allottees receiving allotment in the Issue shall be at least one thousand (1000) in number, otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ANAND RATHI SECURITIES LIMITED AND INTENSIVE FISCAL SECURITIES PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS INTENSIVE FISCAL SECURITIES PRIVATE LIMITED AND ANAND RATHI SECURITIES LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY

ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED, NOVEMBER 5, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED COMPANY'S FORTHCOMING INITIAL PUBLIC ISSUE STATE AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL DISPUTE, TAXATION RELATED DISPUTES, SHOW CAUSE NOTICES ETC AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - a) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED INITIAL PUBLIC ISSUE.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WHEN UNDERWRITING, WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT THE WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK

RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GUJARAT AT AHMEDABAD, IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

Disclaimer Clause from our Company and the Book Running Lead Managers

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, BRLMs and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The Company, Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned entities and anyone placing reliance on any other source of information, including the Company's website, www.gokuloil.com or the websites of the group inter-alia at www.gokulgroup.com would be doing so at his/her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs and us, and the Underwriting Agreement to be entered into between the Underwriters and us.

All information shall be made available by the BRLMs and us to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres or elsewhere.

We shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India), who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, Public financial institutions as specified in Section 4A of the Companies Act, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, and to permitted non residents including FIIs registered with SEBI, and eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI, and eligible foreign investors, provided they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been submitted to SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933 (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. . Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated [•], permission to this Company to use BSE’s name in this Draft Red Herring Prospectus as one of the stock exchanges on which this Company’s securities are proposed to be listed. BSE has scrutinized this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; or
2. Warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
3. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter dated [•] permission to this Company to use NSE’s name in this Draft Red Herring Prospectus as one of the stock exchanges on which this Company’s securities are proposed to be listed, subject to the Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalization (i.e., the paid up capital shall not be less than Rs. 1000 lakhs and the market capitalization shall not be less than Rs. 2500 lakhs at the time of listing). The NSE has scrutinized this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that this Company’s securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its

Promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any of this Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Undertaking from Promoters and Directors

The Company accepts full responsibility for the accuracy of the information given in this Draft Red Herring Prospectus and confirms that to the best of their knowledge and belief, there are no other facts, their omission of which make any statement in this Draft Red Herring Prospectus misleading and the Company further confirms that the Company has made all reasonable inquiries to ascertain such facts. The Company further declares that the Stock Exchanges to which an application for official quotation is being proposed, do not take any responsibility for the financial soundness of this offer or for the price at which the Equity Shares are offered or for the correctness of the statement made or opinions expressed in this offer document. The Promoters/ Directors declare and confirm that no information/material, likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Draft Red Herring Prospectus, has been suppressed, withheld and/or incorporated, in the manner that would amount to mis-statement, misrepresentation and in the event of its transpiring, at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed/withheld and/or amounts to a mis-statement/misrepresentation, the Promoters/Directors undertake to refund the entire application monies to all the subscribers within seven (7) days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, for its observations.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered along with copies of material contracts and other documents for registration to the RoC, Ahmedabad and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, Gujarat at ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013.

Listing

Applications have been made to the NSE and BSE for permission to deal in and for an official quotation of the Company's Equity Shares. BSE will be the Designated Stock Exchange with which the basis of allocation will be finalized for the Issue.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company would forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight (8) days after the Company becomes liable to repay it, i.e., from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then the Company, and every Director of the Company who is an officer in default shall, on and from such expiry of eight (8) days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven (7) working days of finalization of the basis of allocation for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- b. otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Issue and Bankers to the Company; and (b) Book Running Lead Managers to the Issue, Syndicate Member(s), Escrow Collection Bank(s), Registrar to the Issue and Legal Advisors to the Company and Underwriters, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Draft Red Herring Prospectus with the RoC, Gujarat and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC.

M/s M. R. Pandhi & Associates, Chartered Accountants, have given their written consent to the tax benefits accruing to the Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue are estimated to be approximately Rs. [●]. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue will be incurred by the Company.

The estimated Issue expenses are as follows:

Particulars	Amount	As % of Total Issue Expenses	As % of Total Issue Size
Lead Management Fees/Underwriting & Brokerage	[●]	[●]	[●]
Fees payable to Registrar including Postage	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing & Distribution of Stationery	[●]	[●]	[●]
Legal Fees	[●]	[●]	[●]
IPO Grading	[●]	[●]	[●]
Others expenses	[●]	[●]	[●]
Total Estimated Issue expenses	[●]	[●]	[●]

Fees Payable to the Book Running Lead Managers

The total fees payable to the BRLMs including brokerage and selling commission for the Issue will be as per the Engagement Letter executed between the Company and the BRLMs dated [●], copy of which is available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding between the Company and the Registrar to the Issue dated [•] a copy of which is available for inspection at the Registered Office of the Company.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Commission and brokerage on previous issue

As this is the initial public offering of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

Previous Rights and Public issues

Our Company has not made any previous rights or public issues in India or abroad in the five (5) years preceding the date of this Draft Red Herring Prospectus.

Previous issue of shares otherwise than for cash

Other than as disclosed in the section titled “Capital Structure” on page 51 of this Draft Red Herring Prospectus, the Company has not made any previous issues of shares for consideration otherwise than for cash.

Companies under the Same Management

Except as stated in “Our Promoters and Promoter Group” on page 147 of this Draft Red Herring Prospectus, there are no companies under the same management with our Company within the meaning of Section 370(1B) of the Companies Act, which have made any capital issues in the last three (3) years.

Promise vis-à-vis performance

The Company nor any Group or associate company has made any previous rights and public issues.

Outstanding Debenture or Bond Issue or Preference Shares

The Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Draft Red Herring Prospectus.

Stock Market Data for the Equity Shares of the Company

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Servicing Behavior

There has been no default in payment of statutory dues or of interest or principal in respect of the Company borrowings or deposits.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue and us will provide for retention of records with the Registrar to the Issue for a period of at least one (1) year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach

the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor grievances by the Company

We estimate that the average time required by us or the registrar to the issue for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Manish Kella, as the Compliance Officer for this Issue. He may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Manish Kella
Company Secretary and Compliance Officer
Gokul Refoils and Solvent Limited
“GOKUL HOUSE”,
43-Shreemali Co-op. Housing Society Ltd.,
Opp. Shikhar Building,
Navrangpura,
Ahmedabad 380 009
Tel: +91-79-6630 4555, 66615253/54/55
Fax: +91-79-6630 4543;
Email: ipo@gokul.com

Change in Auditors

There have been no changes in the auditors of the Company in the last three years.

Capitalization of Reserves or Profits

The Company has capitalized its reserves or profits on one occasion during the last five years, details of which are available in the section titled “Capital Structure” on page 51 of this Draft Red Herring Prospectus.

Revaluation of Assets

There has been no revaluation of our assets in the last five years.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (DIP) Guidelines, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the issue

The Issue has been authorized by a resolution of our Board dated August 10, 2007 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an extraordinary general meeting of the shareholders of our Company held on September 6, 2007.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends, voting rights and any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled “Main Provisions of the Articles of Association” beginning on page 288 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividends will be recommended by our Board of Directors and our Shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash and as per the provisions of the Companies Act.

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Red Herring Prospectus at a price of Rs. [●]/- per Equity Share. The issue price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of a 100% Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [●] times the face value of the Equity Shares.

Compliance with SEBI Guidelines

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

The Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;

- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., please refer to the section titled 'Main Provisions of the Articles of Association' beginning on page 288 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in our Equity Shares shall only be in dematerialized form for all investors.

Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and Allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Share to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. For details of Allocation and Allotment, please refer to the chapter titled 'Issue Procedure' beginning on page 251 of this Draft Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent court/authorities in Sidhpur – Patan, Ahmedabad, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Issue to the Public including devolvement of underwriters, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, we and every director of our Company who is an officer in default, becomes liable to repay the amount with interest as per Section 73 of the Companies Act.

Further, in terms of Clause 2.2.2A of the SEBI Guidelines, our Company shall ensure that the number of prospective Allottees to whom Equity Shares will be Allotted under this Issue shall not be less than 1,000.

Withdrawal of the Issue

Our Company in consultation with the BRLMs reserves the right not to proceed with the issue any time after the Bid/Issue Opening date but before allotment without assigning any reason thereof.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialized form only, the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of our Equity Shares and on their consolidation/splitting, please refer to the section titled ‘Main Provisions of the Articles of Association’ beginning on page 288 of this Draft Red Herring Prospectus.

Non-residents such as FVCI’s, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, Overseas Corporate Bodies (OCBs) cannot participate in this issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold only (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

ISSUE STRUCTURE

Public Issue of 77,00,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share [including a share premium of Rs. [●] per Equity Share] aggregating to Rs. [●] Lacs. The Issue comprises a reservation of upto 75,000 Equity Shares for subscription by Eligible Employees and a Net Issue to the Public of 76,25,000* Equity Shares. The Net Issue to the Public will constitute 28.91% of the fully diluted post Issue paid-up capital of our Company. The Issue will constitute 29.19% of the fully diluted post Issue paid-up capital of our Company.

	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	Upto 75,000 Equity Shares	Not more than 38,12,500 Equity Shares must be allotted to QIBs.	Not less than 11,43,750 Equity Shares	Not less than 26,68,750 Equity Shares
Percentage of Issue Size available for Allocation	Upto 0.97% of the Issue Size	Not more than 50% of the Net Issue to the Public (of which 5% shall be reserved for Mutual Funds), subject to the preceding condition that the QIB Portion may be Net Issue to the Public size less Allocation to Non-Institutional Bidders and Retail Individual Bidders. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for Allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund Portion will be available to QIBs.	Not less than 15% of the Net Issue to Public or Net Issue to Public less Allocation to QIB bidders and Retail Individual Bidders	Not less than 35% of the Net Issue to Public or Net Issue to Public less Allocation to QIB bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate	Proportionate
Minimum Bid	[●] Equity Shares and multiple of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter
Maximum Bid	Not exceeding 2,00,000 Equity Shares	Not exceeding the size of the Issue subject to applicable limits	Not exceeding the size of the Issue subject to applicable limits	Such number of Equity Shares whereby Bid Amount does not exceed Rs. 1,00,000
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply	A permanent employee of : 4. Our Company or	Public financial institutions, as specified in Section 4A of the Companies Act, 1956, Scheduled Commercial	Resident Indian individuals, HUF (in the name of Karta), minor applying through their	Individuals (including Eligible NRIs, HUFs in the name of Karta and

	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	5. Our Group Company viz. M/s. 'Gokul Overseas', or 6. Our Group Company viz. M/s. 'Gujarat Gokul Power Limited', who is an Indian national, based in India and physically present in India on the date of submission of the Bid-cum-Application form. Also, such person should be a permanent employee on the Bid/Issue opening date. "Eligible Employee", if any, who is a person resident outside India within the meaning of FEMA, is not eligible to invest in the Issue.	Banks, Mutual Funds, Foreign Institutional Investors registered with the SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, permitted Insurance Companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of Rs. 2,500 Lacs (subject to applicable laws) and Pension Funds with minimum corpus of Rs. 2,500 Lacs (subject to applicable laws).	natural guardian companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts	minor applying through their natural guardian) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value.
Terms of Payment	Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Member of Syndicate.	Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	(a) Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate.
Margin Amount	Full Bid Amount on Bidding	At least 10% of the Bid Amount in respect of bids placed by QIB Bidder on Bidding.	Full Bid Amount on Bidding	Full Bid Amount on Bidding.

Notes:

32. * Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital being offered to the public. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC.
33. In the case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for Allocation on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for Allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion would be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Not less than 15% of the Net Issue to the Public shall be available for Allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for Allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLMs. In case of under subscription in the Net Issue to the Public, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to any other category or combination of categories at the discretion of our Company in consultation with the BRLMs subject to applicable provisions of SEBI Guidelines and the Designated Stock Exchange. Our Company is considering a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of the Pre-IPO Placement.
34. If the aggregate demand by Mutual Funds is less than 1,90,625 Equity Shares, the balance Equity Shares available for Allocation in the Mutual Fund Portion will first be added to the QIB portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
35. In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.
36. After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIB Bidders.

Note:

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

Withdrawal of the issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason thereof.

Bid / Issue Programme

BID / ISSUE OPENS ON	[●]
BID / ISSUE CLOSES ON	[●]

Bids and any revision in Bids shall be accepted **only between 10 a.m and 3 p.m** (Indian Standard Time) during the Bid/ Issue Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form **except that on the Bid/Issue Closing Date, the Bids shall be accepted only between 10 a.m and 1 p.m** (Indian Standard Time) and uploaded until:

- (i) 5 p.m in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees Bidding under the

Employees Reservation Portion where the Bid Amount is in excess of Rs. 100,000; and

(ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees Bidding under the Employees Reservation Portion where the Bid Amount is up to Rs. 100,000.

Due to limitation of time available for uploading the Bids on the Bid / Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid / Issue Closing Date and, in any case, no later than 1 p.m (Indian Standard Time) on the Bid / Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid / Issue Closing Date, as is typically experienced in the public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for Allocation under the Issue. Bids will be accepted only on Business Days.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and Holidays as declared by the Stock Exchanges.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid/Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for such number of days after the revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue to Public shall be available for Allocation to QIBs on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 35% of the Net Issue to Public shall be available for Allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Net Issue to Public shall be available for Allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the member(s) of the Syndicate. However, the Bids by QIBs shall be submitted only to the BRLMs or Syndicate member(s) duly appointed by them in this regard. Our Company, in consultation with the BRLMs reserves the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares will be allotted to successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note ("CAN"), and filing of the Prospectus with the Registrar of Companies, Gujarat the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the Registrar of Companies, Gujarat and as would be required by Registrar of Companies, Gujarat after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian public including resident QIBs, Non Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible Non-residents, NRIs, FIIs, Foreign Venture Capital Funds, Foreign Venture Capital Investors (FVCIs) registered with SEBI, applying on repatriation basis	Blue
Eligible Employees	Pink

Who can Bid?

1. Indian nationals resident in India who are majors, or in the names of their minor children as natural/ legal guardians in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);
6. Venture Capital Funds registered with SEBI;
7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;
9. Multilateral and Bilateral development financial institutions;
10. Eligible NRIs and other Non Residents including FIIs on a repatriation basis or non-repatriation basis subject to applicable laws; and
11. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
12. Provident funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to hold and invest in Equity Shares;
13. Pension funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to hold and invest in Equity Shares;
14. Trusts/ societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/ societies and who are authorized under their constitution to hold and invest in Equity Shares;
15. Scientific and/ or Industrial Research Organizations authorized to invest in Equity Shares;
16. Eligible Employees as defined in the Draft Red Herring Prospectus; and
17. Persons otherwise eligible to invest under all applicable laws, rules, regulations and guidelines.

As per existing regulations, OCBs cannot Bid in this Issue.

Note: The BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLMs, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription could be on their own account or on behalf of their clients.

Notwithstanding the aforesaid, in the Employee Reservation Portion, Bids can be submitted only by the Eligible Employees.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws, rules, regulations, guidelines and approvals.

BIDS BY MUTUAL FUNDS

An eligible bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 1,90,625 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Funds Portion. The Bids made by Asset Management Companies or Custodians of Mutual Funds should specifically state the name of concerned schemes for which Bids are made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under its scheme should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

BIDS BY NRIs

Bid-cum-Application forms have been made available for NRIs at the Corporate office of Our Company, members of the Syndicate and the Registrar to the Issue.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) Account shall use the form meant for Resident Indians (white in colour).

BIDS BY FIIs

As per current regulations, the following restrictions are applicable for investment by FIIs:

No single FII can hold more than 10% of the Post-Issue paid-up capital of our Company (i.e. 10% of 2,63,79,000 Equity Shares of Rs. 10 each). In respect of an FII investing in the Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of Our Company in case such sub-account is a foreign corporate or an individual.

The Shareholders by a special resolution dated September 6, 2007 have given their consent to allow the aggregate FII holding to go upto 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII may issue, deal or hold, off-shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. However, FIIs can issue PNs only up to 40% of their assets under custody as on September 30, 2007. FIIs that have issued PNs not linked to underlying derivatives amounting to less than 40% of their assets under custody can issue such instruments at the rate of 5% on an incremental basis until they touch the 40% limit. Furthermore, those FIIs that have already issued PNs exceeding 40% of their assets can issue such instruments to the extent they cancel, redeem, or close their existing PNs.

An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity. As of October [●] 2007 sub accounts cannot issue any off shore derivative instruments.

Bids by NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a Repatriation Basis

Bids and revision to bids must be made:

- On the Bid-cum-Application Form or Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid amount of up to Rs. 1,00,000 would be considered under the Retail Individual Bidders Portion for the purpose of Allocation and Bids for a Bid amount up to Rs. 1,00,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development

Financial Institutions for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000; for details, please refer the chapter titled “Issue Procedure - Maximum and Minimum Bid Size” beginning on page 258 of this Draft Red Herring Prospectus.

- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB's. Individual NRI Bidders can obtain the Bid-cum-Application Forms from our Corporate Office or from members of the Syndicate or the Registrar to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange through approved banking channels shall be considered for allotment.
- NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid-cum-Application form meant for Resident Indians (white in colour).

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money payable upon submission of the Bid-cum-Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/ foreign venture capital investor.

Pursuant to the SEBI Guidelines, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from Lock in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft Red Herring Prospectus, whether prospectively or retrospectively. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations, and our Company and the BRLMs shall on no grounds whatsoever be liable for or responsible for any breach of applicable regulations by any investor or category of investors.

Maximum and Minimum Bid Size

- (a) For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid amount payable by the Bidder does not exceed Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision of the Bid or revision of Price Band or on

exercise of the Cut-Off option, then the Bid would be considered for allocation under the Non-Institutional Bidders category. The Cut-Off option is given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

- (b) **For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount by the Bidders exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.

In case of revision of Bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000 for being considered for allocation in the Non-Institutional portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'Cut-Off' price.

Bidders are advised to ensure that any single bid from them does not exceed the investment limit or maximum number of equity shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a bid shall be made in the manner described under paragraph "Payment of Refund" on page 284 of this Draft Red Herring Prospectus

- (c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiple of [●] Equity Shares. The maximum bid by an Eligible Employee in the Employee Reservation Portion cannot exceed 75,000 Equity Shares. Eligible employees bidding in the employee reservation portion may Bid at Cut-Off Price where the value of the Bid is less than Rs. 1,00,000/- and allotment would be on proportionate basis.

No Promoters or persons belonging to the Promoter Group are part of the Eligible Employees in the Employee Reservation Portion.

Information for Bidders

- (a) Our Company will file the Red Herring Prospectus with the Registrar of Companies, Gujarat at Ahmedabad at least three days before the Bid/ Issue Opening Date.
- (b) The BRLMs / members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid-cum-Application Form can obtain the same from our Registered office, Corporate Office or from any of the BRLMs/Syndicate Members.
- (d) Investors who are interested in subscribing for Our Company's Equity Shares should approach the BRLMs or Syndicate Member or their authorized agent(s) to register their Bid.
- (e) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

- (a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with Registrar of Companies, Gujarat at Ahmedabad and also publish the same in three widely circulated newspapers (one English national daily, one Hindi national daily and a Regional newspaper). This advertisement, subject to the provision of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX-A of the SEBI Guidelines, as amended vide SEBI circular no. SEBI/CFT/DIL/DIP/14/2005/25/1 dated 25 January 2005. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (b) The Bidding Period shall be a minimum of three working days and shall not exceed seven (7) working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and one regional newspaper and by indicating the same on the websites of the BRLMs and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three (3) working days, subject to the total Bidding Period not exceeding ten (10) working days.
- (c) Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels” below on page 261 of this Draft Red Herring Prospectus) within the price band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- (d) The Bidder cannot bid on another Bid-cum-Application Form after such Bidder’s Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Build up of the Book and Revision of Bids” on page of 264 this Draft Red Herring Prospectus.
- (e) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
- (f) Along with the Bid-cum-Application Form, all Bidders will be required to make payment in the manner described under the paragraph “Terms of Payment” on page 262 of this Draft Red Herring Prospectus.
- (g) The Syndicate Member will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

Bids at Different Price Levels

- (a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re 1.
- (b) Our Company in consultation with BRLMs reserves the right to revise the price band, during the Bid/ Issue Period in accordance with SEBI Guidelines. The Cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosing in the Red Herring Prospectus. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and a regional language newspaper, and also by indicating the changes on the websites of the BRLMs.
- (c) Our Company in consultation with the BRLMs can finalize Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (d) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may bid at "Cut-Off" Price. However, bidding at "Cut-Off" is prohibited for QIBs or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- (e) Retail Individual Bidders and Eligible Employees, who bid at the "Cut-Off" Price, agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees bidding at "Cut-Off" Price shall deposit the Bid Amount based on the higher end of the Price Band in the Escrow Account. In the event the Bid Amount is higher than the Allocation Amount payable by the Retail Individual Bidders and Eligible Employees who bid at "Cut-Off" Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders and Eligible Employees shall receive the refund of the excess amounts from the respective Escrow Account.
- (f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be within the range of Rs. 5,000 to Rs. 7,000. Our Company in consultation with the BRLMs shall stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range of minimum application value.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees, Bidding at "Cut-Off" Price can either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price (such that the total amount i.e. original bid amount plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders and Eligible Employees, if the bidder wants to continue to bid at "Cut-Off" Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.1,00,000 for Retail Individual Bidders and Eligible Employees, the Bid will be considered for allocation under the Non Institutional portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or makes an additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at "Cut-Off" Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees who have bid at "Cut-Off" Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

Option to Subscribe

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialized form only. Bidders will not have the option of getting the Allotment in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Escrow Mechanism

Our Company and members of Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Accounts. The monies in the Escrow Account of Our Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer an amount equivalent to Issue Proceeds (Final Issue Price multiplied by number of Equity Shares allotted through this issue) from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with Our Company and the balance amount shall be transferred to the Refund Account from where payment of refund to the Bidders shall be made.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Book Running Lead Managers, Members of the Syndicate and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

In case of Non- Institutional Bidders, Retail Bidders, and Employee Reservation Portion each Bidder shall, with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (refer "Payment Instructions" on page 271 of the Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. In case of QIB Bidders the Margin Amount has to be submitted along with the Bid to the members of the Syndicate. Bid-cum-Application Forms accompanied by cash/Stock invest/money order shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refund. No later than fifteen from the Bid/ Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders, Employee Reservation Portion and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 251 of this Draft Red Herring Prospectus and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares Allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two (2) days from the date of communication of the allocation list to the members of the Syndicate by the Registrar to the Issue. If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within fifteen (15) days from the bid/issue closing date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one (1) on-line connectivity in each city, where a Stock Exchange is located in India and where Bids are being accepted.
- (b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member and their authorized agents during the Bidding Period/Issue Period. Syndicate members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the syndicate shall upload the Bids till such time as maybe permitted by the Stock Exchanges.
- (c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be accessed on BSE's website at "www.bseindia.com" or on NSE's website at "www.nseindia.com" during the bidding period.
- (d) At the time of registering each Bid, the Syndicate members shall enter the following details of the investor in the on-line system:
 - Name of the investor (Investors should ensure that the name given in the Bid-cum-Application form is exactly the same as the Name in which the Depository Account is held. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form)
 - Investor Category such as Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Number of Equity Shares bid for
 - Bid price
 - Bid-cum-Application Form number
 - Whether Margin Amount has been paid upon submission of Bid-cum-Application Form: and
 - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options. **It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate.** The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) The BRLMs may reject a bid placed by a QIB for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Employee Reservation Portion and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 275 of this Draft Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, BRLMs are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters,

our management or any scheme or project of our Company.

- (i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (c) The Price Band can be revised during the Bidding Period, in which case the bidding period shall be extended further for a period of three (3) days, subject to the total bidding period not exceeding ten (10) working days. The Cap on the Price Band shall not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the Floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
- (d) Any revision in the Price Band will be widely disseminated by informing the Stock Exchanges, by issuing a Public Notice in two (2) national newspapers (one each in English and Hindi) and one (1) local newspaper in regional language and also indicating the change on the relevant websites and the terminals of the members of the syndicates.
- (e) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (f) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (g) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (h) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB margin, if any, to be paid on account of the upward revision of bid at the time of one or more revision by the QIB bidders.
- (i) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Only bids that are uploaded to the online IPO system of NSE/ BSE shall be considered for Allocation / Allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the Book Running Lead Managers based on physical records of Bid-cum-Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLMs will analyze the demand generated at various price levels and discuss pricing strategy with Our Company
- (b) Our Company in consultation with the BRLMs shall finalize the “Issue Price” and the number of Equity Shares to be allotted in each investor category.
- (c) The allocation for QIBs, not more than 50% of the Net Issue to Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled “Basis of Allotment”. The allocation to Non-Institutional Bidders and Retail Individual Bidders not less than 15% and 35% of the Net Issue to Public, respectively, would be on proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. The Allocation in the Employee Reservation Portion would also be on a proportionate basis.
- (d) Under subscription, if any, in Non-Institutional, Retail and Employee Reservation Portion categories would be allowed to be met with spill over from any of the other categories at the discretion of Our Company and the BRLMs. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids, for further details please refer the chapter titled “Issue Procedure - Basis of Allotment or Allocation” beginning on page 279 of this Draft Red Herring Prospectus.
- (e) Under-subscription, if any, in employee reservation portion will be added back to the Net Issue to the public and the ratio amongst the investor categories will be at the description of Our Company and the BRLMs. In case of under-subscription in the Net Issue to the Public spill over to the extent of under-subscription shall be permitted from the employee reservation portion.
- (f) The BRLMs, in consultation with our Company, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before Allotment without assigning any reasons whatsoever.
- (h) Allocation to, Non-residents(including NRIs), FIIs and Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to applicable laws, rules, regulations, guidelines and approvals..
- (i) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.
- (j) The Allotment details shall be put up on the website of the Registrar to the Issue.

Issuance of Confirmation of Allocation Note (“CAN”)

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been

Allocated/Allotted Equity Shares in the Issue. The approval of the basis of allotment by Designated Stock Exchange for QIB Bidders maybe done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual Bidders, Non Institutional Bidders and Eligible Employees. However, investors should note that, Our Company shall ensure that the date of Allotment of the Equity Shares to all the investors in this issue shall be done on the same date.

- (b) The BRLMs or Syndicate Members would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the Bid Amount in full into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated/allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.
- (d) The issuance of CAN is subject to “Notice to QIB’s: Allotment Reconciliation” herein below.

Notice to QIBs: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, if so required, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Signing of Underwriting Agreement and ROC Filing

- (a) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with Registrar of Companies, which then would be termed ‘Prospectus’. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the ROC

Our Company will file a copy of the Prospectus with the ROC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of Pre-Issue advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on this Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in an English national daily with wide circulation, one Hindi national newspaper and one regional language newspaper.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by Our Company after the filing of the Prospectus with the Registrar of Companies, in two widely circulated newspapers (one each in English and Hindi) and one local newspaper. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price along with a table showing the number of Equity Shares. Any material updates between the date of Red Herring Prospectus and the Prospectus shall be included in the statutory advertisement.

Designated Date and Allotment of Equity Shares

- (a) Our Company shall ensure that the allotment of Equity Shares is done within fifteen days of Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and the Refund Account on the Designated Date, we would ensure the credit to the successful Bidders depositories' account of the allotted Equity Shares to the allottees within two working days of the date of allotment. In case we fail to make allotment within fifteen (15) days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% p.a.
- (b) All allottees will receive credit for the Equity Shares directly in their depository account. **As per SEBI Guidelines, Equity Shares will be issued only in the dematerialized form to the Allottees.** Allottees will have the option to re-materialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account to them pursuant to Allotment in this Issue.

GENERAL INSTRUCTIONS

Do's:

- a) Check if you are eligible to apply having regard to applicable laws, rules, regulation, guidelines and approvals and the terms of this Draft Red Herring Prospectus.
- b) Complete the Bid-cum-Application Form (White or Blue or Pink in colour, as the case may be) after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- e) Ensure that you have been given a TRS for all your Bid options;
- f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- g) Ensure that the Bid is within Price Band;
- h) Ensure that DP account is activated;
- i) Investors must ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence as they appear in the Bid-cum-Application Form;
- j) Where the Bid is for Rs. 50,000 or more, each of the Bidders should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961. A copy of the PAN card

or PAN allotment letter is required to be submitted with the Bid-cum-Applications Form without this information the documents will be considered incomplete and are liable to be rejected.

- k) If you have mentioned “applied for” or “not applicable” in the Bid-cum-Application Form in the section dealing with PAN number ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof; and
- l) Ensure that the demographic details as registered with your Depository participant are updated, true and correct at all respects.

Don’ts:

- a) Do not bid for lower than the minimum Bid size;
- b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- c) Do not bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate;
- d) Do not pay the Bid amount in cash, through stock invest, by money order or by postal order;
- e) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;
- f) Do not bid at Cut-Off Price (for QIBs and non-institutional bidders, for whom the Bid amount exceeds Rs.1,00,000);
- g) Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; or under the terms of this Draft Red Herring Prospectus.
- h) **Do not submit the GIR number instead of the PAN as the bid is liable to be rejected on this ground.**
- i) Do not bid at Bid Amount exceeding Rs. 1,00,000 for incase of a Bid by a Retail Individual Bidder.

Instructions for Completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLMs or Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for resident Indians, blue for Non-residents, including NRIs, FIIs, Foreign Venture Capital Fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis and pink for Eligible Employees.)
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of Rs. 1,00,000.

- (d) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of equity shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- (e) For Employee Reservation Portion, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter, subject to a maximum of 75,000 equity shares.
- (f) In single name or in joint names (not more than three) and in the same order as their Depository Participant details.
- (g) Thumb impressions and signatures other than in the languages specified in the eighth schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids in the Employee Reservation Portion

1. Bids by the Eligible Employees of our Company shall be made only in the prescribed Bid-cum-Application Form or Revision Form, (i.e. Pink colour Bid-cum-Application Form marked “Employees”). Eligible Employees should mention their Employee ID at the relevant place in the Bid-cum-Application Form.
2. The sole/first Bidder should be an Eligible Employee. In case the Bid-cum-Application Form is submitted in Joint Names, it should be ensured that the Depository Account is also held in the same joint names and in same sequence in which they appear in Bid-cum-Application Form.
3. Only Eligible Employee, who are Indian Nationals based in India and are physically present in India on the date of submission of the Bid-cum-Application Form and such person is an employee or Director during the period commencing from the date of filing of the Red Herring Prospectus with the ROC upto the Bid/ Issue Closing Date would be eligible to apply in this Issue under the Employee Reservation portion on a competitive basis.
4. Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
5. Eligible Employees who apply or bid for equity shares of or for a value of not more than Rs. 1,00,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other Eligible Employees whose minimum bid amount exceeds Rs. 1,00,000.
6. The maximum Bid in this category can be 75,000 Equity Shares.
7. If the aggregate demand in this category is less than or equal to 75,000 Equity Shares at or above the Issue Price, full Allocation shall be made to the Eligible Employees to the extent of their demand. Under-subscription in this category would be added to any other category at the sole discretion of our Company in consultation with the BRLMs.
8. If the aggregate demand in this category is greater than 75,000 Equity Shares at or above the Issue Price, the Allocation shall be made on a proportionate basis subject to a minimum of [●] Equity Shares. For details on the method of proportionate basis of allotment, please refer to the chapter titled “Issue Procedure - Basis of Allotment or Allocation” beginning on page 279 of this Draft Red Herring Prospectus.
9. Bid/ Application by Eligible Employees can be made also in the “Net Issue to the Public” and such bids shall not be treated as multiple Bids.

Bidder’s Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant’s Name,

Depository Participant-Identification Number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository, the Bidders bank account details. These bank account details would be printed on the refund orders/ Refund Advices, if any, to be sent to Bidders or used for sending the refund through direct credit or ECS or NEFT or RTGS. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor Our Company shall be liable to pay any interest for such delay or shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN, WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant- Identification number and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS, NEFT, RTGS or direct credit and occupation ("Demographic Details"). Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so can result in delay in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor Our Company shall be liable to pay any interest for such delay or have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs /allocation advice and printing of bank particulars on the refund order and the demographic details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar to the Issue.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ECS Credit of credit through NEFT, Direct Credit or RTGS for refunds/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither Our Company nor the Escrow Collection Bank nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic mode as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through the Electronic Transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, Our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of the Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, Our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof

In case of Bids made by provident funds with minimum corpus of Rs. 2500 Lacs (subject to applicable law) and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid-cum-Application Form. Failing this, Our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by Mutual Funds registered with SEBI, Venture Capital fund registered with SEBI and Foreign Venture Capital Investor registered with SEBI, a certified copy of the SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, Our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs/ Allocation Advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from depositories.

Payment Instructions

Our Company shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account of Our Company:

- (a) The Bidders for whom the applicable Margin Amount is equal to 100% shall, along with the submission of the Bid-cum-Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
- (b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLMs.
- (c) The payment instruments for payment into the Escrow Account shall be marked “A/c payee only” and should be drawn in favour of:
 - (i) In case of Resident QIB Bidders: **“Escrow Account – GRSL- IPO - QIB - R”**
 - (ii) In case of Non Resident QIB Bidders: **“Escrow Account – GRSL- IPO- QIB - NR”**
 - (iii) In case of Resident Bidders: **"Escrow Account- GRSL – IPO"**
 - (iv) In case of Non Resident Bidders: **"Escrow Account- GRSL – IPO – NR"**
 - (v) In case of Eligible Employees: **“Escrow Account-GRSL – IPO – Employees”**
- (d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account. In case of Bids by eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.
- (e) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and the surplus amount if any shall be transferred into the Refund Account maintained with the Refund Banker.
- (i) On the Designated Date and no later than fifteen days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing

house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/ postal orders will not be accepted. Investors in the QIB Category may also make payment by RTGS/NEFT/Direct Credit or ECS Credit.

Payment by Stockinvest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address, as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. Bids/ Application by eligible employees can be made also in the "Net Issue to the Public" and such bids shall not be treated as multiple bids. In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN/. In cases where the PAN/ numbers are different, the same will be deleted from this master.
3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
5. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.

6. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

Bidders or, in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act, 1961. SEBI has recently issued a circular directing that with effect from July 2, 2007 PAN would be the sole identifiable number for participants transacting in the securities market, irrespective of the amount of transaction. A copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Applications Form without this information the documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid-cum-Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a PAN and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61, as the case may be.**

Unique Identification Number ("UIN")

SEBI has, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Our Company's Right to Reject Bids

In case of QIB Bidders, Our Company, in consultation with the BRLMs may reject a bid placed by a qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the QIB Bidders. In case of QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and eligible employees Our Company has the right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- 1) Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- 2) Age of first Bidder not given;
- 3) In case of Partnership firms, Equity shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply.
- 4) NRIs, except Eligible NRIs.
- 5) Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons; except minors applying through their legal guardian.
- 6) PAN photocopy/PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given regardless of the size of the Bid;
- 7) GIR number furnished instead of PAN;
- 8) Bids for lower number of Equity Shares than specified for that category of investors;
- 9) Bids at a price less than lower end of the Price Band;
- 10) Bids at a price more than the higher end of the Price Band;
- 11) Bids at Cut-Off Price by Non-Institutional Bidders and QIB Bidders;
- 12) Bids for number of Equity Shares which are not in multiples of [●];
- 13) Category not ticked;
- 14) Multiple Bids as defined in this Draft Red Herring Prospectus;
- 15) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- 16) Bids accompanied by Stockinvest/ money order/postal order/cash;
- 17) Signature of sole and / or joint Bidders missing;
- 18) Bid-cum-Application Form does not have the stamp of the BRLMs or Syndicate Member;
- 19) Bid-cum-Application Form does not have Bidder's depository account details;
- 20) In case no corresponding record is available with the Depositories that matches three parameters: name of Bidders (including sequence of names of joint holders), Depository Participant identification number and beneficiary's account number;
- 21) Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid-cum-Application Form;
- 22) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For details, please refer the section titled "Issue Procedure Maximum and Minimum Bid Size" beginning on page 258 of this Draft Red Herring Prospectus;

- 23) Bids for amounts greater than the maximum permissible by the regulations;
- 24) Bids by OCBs
- 25) Bids by persons other than Eligible Employees in the Employee Reservation Portion;
- 26) Bids by US persons other than “qualified institutional buyers” as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act; and
- 27) Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.
- 28) Bids or Revisions thereof by QIB Bidders, Non-Institutional Bidders and Eligible Employees Bidding under the Employees Bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 1,00,000, uploaded after 5 p.m. on the Bid/Issue Closing Date.
- 29) Bids not duly signed by the sole/joint Bidders.
- 30) Non-provision of details of bank account for the refund.
- 31) Bids by QIBs not submitted through the members of the syndicate.

Interest on Refund of Excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid amount received by the Issuer if the refunds are not electronically transferred or refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter no. F-8/6/SE/79 dated July 21, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among Our Company, the respective Depositories and the Registrar to the Issue:

- a) A tripartite agreement dated [●], 2007 with NSDL, Our Company and Registrar to the Issue;
- b) A tripartite agreement dated [●], 2007 with CDSL, Our Company and Registrar to the Issue.

All Bidders can seek allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her Depository Account are liable to be rejected.

- a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid-cum-Application Form or Revision Form.
- c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

- e) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.
- f) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
- g) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
- h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i) The trading of the Equity Shares of our Company would be in dematerialized form only for all investors in the Demat segment of the respective stock exchanges

Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in the case of any pre-Issue or post-Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

PRE-ISSUE AND POST ISSUE RELATED PROBLEMS

We have appointed Mr. Manish Kella, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Manish Kella
Company Secretary and Compliance Officer
 Gokul Refoils and Solvent Limited
 "GOKUL HOUSE",
 43-Shreemali Co-op. Housing Society Ltd.,
 Opp. Shikhar Building,
 Navrangpura,
 Ahmedabad 380 009
 Tel: +91-79-6630 4555, 66615253/54/55
 Fax: +91-79-6630 4543;
 Email: gokulipo@gokuloil.com

Disposal of Applications and Applications Money

Our Company shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. The mode of dispatch of refunds shall be as mentioned in the paragraph titled "Mode of Making Refunds" beginning on page 284 of this Draft Red Herring Prospectus. Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the bidders within fifteen days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

The bank account details for ECS, Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories' database and hence bidders are required to ensure that bank details including the nine digit MICR code (Magnetic Ink Character Recognition) maintained at the depository level are updated and correct.

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, where the Equity Shares are proposed to be listed are taken within seven working days of finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, Our Company further undertakes that:

- Allotment shall be made only in dematerialized form within fifteen (15) days of the Bid/Issue Closing Date;
- Dispatch refund orders within fifteen (15) days of the Bid/Issue Closing Date would be ensured; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the fifteen -day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the fifteen day time prescribed above as per the Guidelines issued by GoI, Ministry of Finance pursuant to their letter no. F/8/S/79 dated July 31, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member(s) will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Save and except refunds effected through the electronic mode i.e. ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay-orders, or demand drafts drawn on a bank appointed by us, as a refund bank, and payable at par at places where Bids are received, except for bidders who have opted to receive refunds through the electronic facility. Bank charges if any, for encashing such cheques, pay-orders or Demand drafts at other centres will be payable by the Bidders.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Basis of Allotment or Allocation:**A. For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue to the Public less allocation to Non-Institutional and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 26,68,750 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 26,68,750 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and multiples of one Equity Share thereafter. For the method of proportionate basis of allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue to the Public less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 11,43,750 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 11,43,750 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allotment, refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The Net Issue to the Public less allocation to Non-Institutional Portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows;
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

- (ii) In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
- (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
- (b) In the second instance allocation to all QIBs shall be determined as follows:
 - (i) In the event of over-subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- (c) The aggregate allocation to QIB Bidders shall not be more than 38,12,500 Equity Shares.

Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLMs.

D. For our Eligible Employees

- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. Bidders under this portion applying for minimum Bid in any of the Bidding Option not exceeding Rs. 1,00,000 may Bid at “Cut-Off”.
- Bids received from the Employees at or above the Offer Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 75,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 75,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allocation, refer below.
- In case of under-subscription in the Net Issue to the Public, spillover to the extent of under-subscription shall be permitted from the Employee Reservation Portion.
- Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

Procedure and Time Schedule for allotment and demat credit of Equity

The Issue will be conducted through a “100% Book Building Process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs, will determine the Issue Price, and, in consultation with the BRLMs, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the BSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The

Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful bidders within fifteen (15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three (3) trading days from the date of crediting the investor's demat account, subject to final approval by the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event the Issue is over-subscribed, the basis of allotment shall be finalized by our Company in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalized in a fair and proper manner. Allotment to Bidders shall be as per the basis of allocation as set out in this Prospectus under "Issue Structure".

- a) Bidders will be categorized according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of bidders in the category multiplied by number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio in that category subject to minimum allotment of [●] Equity Shares. The minimum allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- d) In case the proportionate allotment to any Bidders is in fractions, then the same would be rounded off to nearest integer.
- e) In all bids where the proportionate allotment is less than [●] per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (c) above.
- f) If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 if that number is 0.5 or higher. If the number is lower than 0.5, it would be rounded off to the lower multiple of 1. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- g) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising of bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)**A. Issue Details**

Sr. No.	Particulars	Issue Details
1.	Issue Size	76,25,000 equity shares
2.	Allocation to QIB (50%)	38,12,500 equity shares
	Of which :	
	a) Allocation to MF (5%)	1,90,625 equity shares
	b) Balance for all QIBs including MFs	36,21,875 equity shares
3.	Number of QIB applicants	[•]
4.	Number of shares applied for	[•] equity shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in Lakhs)
1.	A1	[•]
2.	A2	[•]
3.	A3	[•]
4.	A4	[•]
5.	A5	[•]
6.	MF 1	[•]
7.	MF 2	[•]
8.	MF 3	[•]
9.	MF 4	[•]
10.	MF 5	[•]
	Total	[•]

A1-A5 (QIB bidders other than MFs)

MF1-MF5 (QIB bidders which are MFs)

C. Details of Allotment to QIB Bidders/Applicants

Type of QIB bidders	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance [•] Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	[•]	[•]	[•]	[•]
A2	[•]	[•]	[•]	[•]
A3	[•]	[•]	[•]	[•]
A4	[•]	[•]	[•]	[•]
A5	[•]	[•]	[•]	[•]
MF 1	[•]	[•]	[•]	[•]
MF 2	[•]	[•]	[•]	[•]
MF 3	[•]	[•]	[•]	[•]
MF 4	[•]	[•]	[•]	[•]
MF 5	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]

Please note:

1. The illustration presumes compliance with the provisions of clause 7.6.1.1 of the guidelines pertaining to minimum allotment.

2. Out of 38,12,500 Equity Shares allocated to QIBs, 1,90,625 (i.e. 5%) will be allocated on proportionate basis among [●] Mutual Fund applicants who applied for [●] shares in QIB category.
3. The balance 36,21,875 Equity Shares [i.e. 38,12,500 – 1,90,625 (available for MFs)] will be allocated on proportionate basis among [●] QIB applicants who applied for [●] Equity Shares (including [●]MF applicants who applied for [●] Equity Shares).
4. The figures in the fourth column number IV are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X [●]/[●]
 - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X [●]/[●]
 - The numerator and denominator for arriving at allocation of [●] shares to the [●] QIBs are reduced by [●] shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

Our Company shall give credit of Equity Shares allotted to the beneficiary account with Depository Participants within two working days of finalization of Basis of Allotment. Applicants residing at 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS, or NEFT. In case of other applicants, we shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit, the bank where their refund shall be credited (as per details given to the Depository Participant), along with the amount and the expected date of electronic credit of refund within fifteen working days of closure of Issue.

We shall ensure dispatch of refund orders/advice, if any, by “Under Certificate of Posting” or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder’s sole risk within fifteen (15) days of the Bid /Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within fifteen working days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within fifteen working days from the Bid/Issue Closing Date;
- We shall pay interest at 15% per annum (for any delay beyond the fifteen day time period as mentioned above), if allotment is not made, refund orders/advice are not dispatched and in case where a refund is made through electronic mode, the refund instruction have not been given to the clearing system and/or demat credits are not made to investors within the fifteen working day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No.F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges and as further modified by SEBI’s clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a the Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted

to receive refunds through the Electronic mode i.e. RTGS, ECS or NEFT facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference

I. **Direct Credit** – For investors having their Bank Account with the Refund Bankers, the refund amount would be credited directly to their Bank Account with the Refund Banker. Charges, if any, levied by the Bank(s) to the Issue for the same would be borne by our Company.

II. **NEFT** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

III. **RTGS** – Applicants having a bank account at any of the below mentioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

IV. **ECS** - Payment of refund would be done through ECS for applicants residing at one of the fifteen) centres, namely Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram, where clearing houses for ECS are managed by Reserve Bank of India. This would be subject to availability of complete bank account details including MICR code from the Depository. The payment or refund through ECS is mandatory for applicants having a bank account at any of the fifteen centers named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit, NEFT or RTGS, as the case may be.

For all the other applicants except for whom payment of refund is not possible through I, II, III and IV, the refund orders would be dispatched "Under Certificate of Posting" for refund orders less than Rs. 1500 and through Speed Post/Registered Post for refund orders exceeding Rs. 1500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and be payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three days and not exceeding thirteen days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and by indicating the change on the website of the BRLMs and at the terminals of the Syndicate.

Interest in Case of Delay in Dispatch of Refund Orders

Our Company agrees that allotment of securities offered to the public shall be made not later than fifteen (15) days of the closure of public issue. We further agree that we shall pay interest @15% per annum if the refund orders have not been dispatched to the applicants (or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner) within fifteen days from the date of the closure of the issue.

Undertaking by Our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within fifteen working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the refund orders or allotment advice to the Non Residents shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilization of Issue proceeds

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilized out of Issue referred above shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- details of all un-utilized monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such un-utilized monies have been invested;
- Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of Government of India, and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the [•] sector is permitted up to 100% under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents. In our Company, as on date aggregate FII holding can be upto 100% of the total Issued Share Capital.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Representation from the Bidders

No person shall make a Bid in Issue, unless such person is eligible to acquire Equity Shares of the Issuer in

accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to the Issuer, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Issuer and will not offer, sell, pledge or transfer the Equity Shares of the Issuer to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Issuer. The Issuer, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Issuer.

Subscription by foreign investors (NRIs/FIIs)

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

**SECTION VIII: DESCRIPTION OF EQUITY SHARES AND MAIN PROVISIONS OF THE
ARTICLES OF ASSOCIATION**

RIGHTS OF MEMBERS

The Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles.

For a detailed description of the main provisions of Articles relating to, among other things, voting rights, dividend, forfeiture and lien, transfer and transmission see the section titled “Main Provisions of the Articles of Association” on page 288 of this Draft Red Herring Prospectus.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. Share Capital

The Authorised Share Capital of the Company shall be as in Clause V of the Memorandum of Association of the company as amended from time to time.

The Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.

4. Increase of capital by the Company how carried into effect

The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed necessary. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

5. New Capital same as existing capital

Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Non Voting Shares

The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

7. Redeemable Preference Shares

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares, which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

8. Voting rights of preference shares

The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

9. Provisions to apply on issue of Redeemable Preference Shares

On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:

(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.

(b) No such Shares shall be redeemed unless they are fully paid.

(c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account, before the Shares are redeemed.

(d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

(e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

10. Reduction of capital

The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce

- (a) the share capital
 - (b) any capital redemption reserve account; or
 - (c) any share premium account
- in any manner for the time being authorised by law. This Article is not to derogate from any power the Company would have, if it were omitted.

11. Purchase of own Shares

The Company shall have power, subject to and in accordance with all applicable provisions of the Act, including provisions of section 77A to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

12. Sub-division consolidation and cancellation of Shares

Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

MODIFICATION OF RIGHTS

13. Modification of rights

Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall *mutatis mutandis* apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.

The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

SHARES, CERTIFICATES AND DEMATERIALISATION

14. Restriction on allotment and return of allotment

The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

15. Further issue of shares

(1) Where at any time after the expiry of two (2) years from the formation of the Company or at any time after the expiry of one (1) year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares whether out of unissued share capital or out of increased share capital then:

(a) Such further Shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares at that date

(b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person, and the notice referred to in sub-clause (b) shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any Shares to any person in whose favour any Member may renounce the Shares offered to him.

(d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given declines to accept the Shares offered, the Board of Directors may dispose them off in such manner and to such person(s) as they may think in their sole discretion fit.

(2) Notwithstanding anything contained in sub-clause (1) hereof, the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.

(a) If a Special Resolution to that effect is passed by the Company in the General Meeting; or

(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll,

as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting, (including the casting vote, if any, of the Chairman) by Members, who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of clause (l) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second

time, on the ground that the persons in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

(i) To convert such debentures or loans into Shares in the Company; or

(ii) To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that government in this behalf, and

(b) in the case of debentures or loans other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the debentures or the raising of the loans.

16. Shares under control of Directors

Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

16A. Power to offer Shares/options to acquire Shares

(i) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

(ii) In addition to the powers of the Board under Article 16A(i), the Board may also allot the Shares referred to in Article 16A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

(iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above.

17. Application of premium received on Shares

(1) where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called the "Share Premium Account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.

(2) The share premium account may, notwithstanding anything in clause (1) thereof be applied by the

Company:

- (a) in paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
- (b) in writing off the preliminary expenses of the Company;
- (c) in writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company; or
- (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

18. Power also to Company in General Meeting to issue Shares

In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting, may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

18A. Power of General Meeting to authorize Board to offer Shares/Options to employees

(i) Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose

In addition to the powers contained in Article 18A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.

19. Shares at a discount

The Company may issue Shares at a discount of a class already issued, if the following conditions are fulfilled, namely:

- (a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;
- (b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and
- (c) The Shares to be issued at a discount are issued within two (2) months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.

20. Installments of Shares to be duly paid

If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person, who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.

21. The Board may issue Shares as fully paid-up or partly paid up

Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares, which may be so issued

may be issued as fully paid-up or partly paid up Shares.

22. Acceptance of Shares

Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person, who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.

23. Deposit and call etc., to be debt payable

The money, if any, which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

24. Liability of Members

Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

25(A). Dematerialisation of securities

Definitions

Beneficial Owner - "Beneficial Owner" means a person whose name is recorded as such with a Depository.

SEBI - "SEBI" means the Securities and Exchange Board of India.

Bye-Laws - "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

Depositories Act - "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;

Depository - "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

Record - "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations - "Regulations" mean the regulations made by SEBI;

Security - "Security" means such security as may be specified by SEBI.

25(B). Dematerialisation of securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

25(C). Options to receive security certificates or hold securities with depository

Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.

Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information, the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.

25(D). Securities in depositories to be in fungible form

All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

25(E) Rights of depositories and beneficial owners

(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of

effecting transfer of ownership of Security on behalf of the Beneficial Owner;

(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;

(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.

25(F) Depository to Furnish Information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws in that behalf.

25(G) Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.

25(H) Option to opt out in respect of any security (Rematerialisation)

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

25(I) Sections 83 and 108 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles,

(1) Section 83 of the Act shall not apply to the Shares held with a Depository;

(2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

26. Share certificate

(a) Every Member or allottee of Shares is entitled, without payment, to receive one (1) certificate for all the Shares of the same class registered in his name.

(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.

26A. Limitation of time for issue of certificates

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three (3) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two (2) months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

27. Renewal of share certificates

No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.

28. New certificate to be granted on delivery of the old certificates

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall *mutatis mutandis* apply to Debentures of the Company.

29. The first name joint holder deemed sole holder

If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.

30. Issue of Shares without Voting Rights

In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

31. Buy-Back of Shares and Securities

Notwithstanding anything contained in these articles, the company may purchase its own shares or securities and the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals as provided under section 77A of the Act and SEBI (Buy back of Securities) Regulations, 1998.

32. Employees Stock Options Scheme/ Plan

The Directors shall have the power to offer , issue and allot Equity Shares and/or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the officers, employees, workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as the "Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

33. Sweat Equity

Subject to the provisions of section 79A of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

34. Postal Ballot

The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

35. Company not bound to recognize any interest in Shares other than of registered holder

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

36. Trust recognised

(a) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor (except in case where they are fully paid) or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

37. Declaration by person not holding beneficial interest in any Shares

(1) Notwithstanding anything herein contained a person whose name, at any time, is entered in the Register of Members of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act, within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act

(2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act

(3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act

(4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

38. Funds of Company not to be applied in purchase of Shares of the Company

No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company or in its holding Company.

COMMISSION, DISCOUNT AND BROKERAGE

39. Commission may be paid

Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company, or his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in, or debentures of, the company, but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.

40. Brokerage

The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.

41. Commission to be included in the annual return

Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

42. Interest out of capital

Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

DEBENTURES

43. Debentures with voting rights not to be issued

(a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

(d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.

(e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.

(f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provision of Section 113 of the Act) within three (3) months after the allotment of its debentures or debenture-stock and within two (2) months after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.

(g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture trust deed and inspection thereof.

(h) The Company shall comply with the provisions of Section 124 to 145 (both inclusive) of the Act as regards registration of charges.

CALLS

44. Directors may make calls

(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one (1) month from the date fixed for the payment of the last preceding call.

(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

45. Notice of call when to be given

Not less than one (1) month notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

46. Call deemed to have been made

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

47. Directors may extend time

The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time to call from any of the Members, the Board of Directors may deem fairly

entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of reasonability as per the circumstances and grace.

48. Amount payable at fixed time or by installments to be treated as calls

If by the terms of issue of any Share or otherwise, any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

49. When interest on call or installment payable

If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen (18) percent per annum as the Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.

50. Evidence in action by Company against share holder

On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

51. Payment in anticipation of calls may carry interest

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

LIEN

52. Partial payment not to preclude forfeiture

Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

53. Company to have lien on Shares/ Debentures

The Company shall have first and paramount lien upon all Shares / Debentures (other than fully paid up Shares / Debentures) registered in the name of each Member whether solely or jointly with others and upon the proceeds of sale thereof, for moneys, called or payable at a fixed time in respect of such Shares / Debentures. and no equitable interests in any Share / Debenture shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares / Debentures; PROVIDED THAT, the Board of Directors may, at any time, declare any Share/ Debenture to be wholly or in part exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of Shares / Debentures shall operate as a waiver of the Company's lien if any, on such Shares.

54. As to enforcing lien by sale

The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same, PROVIDED THAT, no sale shall be made:-

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen (14) days after a notice in writing by the Company stating and demanding payment of such part of the amount in respect of which the lien exists as is / presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

For the purpose of such sale, the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer on behalf of and in the name of such Members

- (c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.

55. Application of proceeds of sale

- (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and
- (b) The residue if any, after adjusting costs and expenses, if any, incurred, shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

56. If money payable on Shares not paid, notice to be given

If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

57. Sum payable on allotment to be deemed a call

For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

58. Form of notice

The notice shall name a day, (not being less than fourteen (14) days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen (18) percent per annum, as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.

59. In default of payment, Shares to be forfeited

If the requirements of any such notice as aforesaid are not complied with by the Member, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

60. Notice of forfeiture to a Member

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

61. Forfeited Shares to be the property of the Company

Any Share so forfeited, shall be deemed to be the property of the Company,

62. Forfeited Shares may be sold etc

Any Share so forfeited, may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit

63. Effects of forfeiture

The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.

64. Power to annul forfeiture

The Board of Directors may at any time before any Share so forfeited annul the forfeiture thereof upon such conditions as it thinks fit.

65. Declaration of forfeiture

(a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

(c) The person to whom such Shares are sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

(f)

66. Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum, which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

67. Cancellation of shares certificates in respect of forfeited Shares

Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

68. Evidence of forfeiture

The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

69. Validity of sale

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

70. Surrender of Shares

The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

71. No transfers to minors etc.

No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

72. Form of transfer

The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and

statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. A common form of transfer shall be used as stipulated in the Act and regulations thereof and any amendments from time to time.

73. Application for transfer

(a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee.

(b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice

(c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

74. Execution of transfer

The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Act and any statutory modification thereof for the time being shall be duly complied with.

75. Transfer by legal representatives

A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.

76. Register of Members etc when closed

The Board of Directors shall give notice of not less than seven (7) days by way of advertisement in the relevant newspaper circulated in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty (30) days at a time, and not exceeding in the aggregate forty-five (45) days at a time, and not exceeding in the aggregate forty-five (45) days in each year as it may seem expedient to the Board.

77. Directors may refuse to register transfer

Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever; except where the Company has a lien on shares.

78. Death of one or more joint holders of Shares

In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.

79. Titles of Shares of deceased Member

The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, and upon such terms as to indemnity or

otherwise as the Directors may deem proper, dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.

80. Notice of application when to be given

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

81. Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)

Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".

82. Refusal to register nominee

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

83. Person entitled may receive dividend without being registered as a Member

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

84. No fees on transfer or transmissions

No fee shall be charged for registration of transfer, transmission Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar documents.

85. Transfer to be presented with evidence of title

Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

86. Company not liable for disregard of a notice prohibiting registration of transfer

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

SHARE WARRANTS

87. Power to issue share warrants

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act, and accordingly, the Board may in its discretion with respect to any Share, which is fully paid, upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant

and such fee as the Board may, from time to time, require, issue a share warrant.

88. Deposit of share warrants

- (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two (2) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant
- (b) Not more than one (1) person shall be recognized as depositor of the Share warrant
- (c) The Company shall, on two (2) day's written notice, return the deposited share warrant to the depositor.

89. Privileges and disabilities of the holders of share warrant

- (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

90. Issue of new share warrant coupons

The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

91. Share may be converted into stock

The Company may, by Ordinary Resolution:

- (a) Convert any fully paid up Share into stock, and
- (b) reconvert any stock into fully paid-up Shares.

92. Transfer of stock

The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit.

PROVIDED THAT, the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.

93. Right of stock holders

The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.

94. Regulation applicable to stock and share warrant

Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

95. Power to borrow

Subject to the provisions of Sections 58A, 292, 293 and 372A of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

96. The payment or repayment of moneys borrowed

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

97. Bonds, Debentures, etc. to be subject to control of Directors

Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

98. Terms of issue of Debentures

Any debenture, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise; however, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

99. Mortgage of uncalled capital

If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

MEETING OF MEMBERS**100. Statutory meeting**

The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one (1) month and not more than six (6) months from the date on which the Company shall be entitled to commence business.

101. Annual General Meeting

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that, not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Also, the First Annual General Meeting of the Company shall be held within eighteen (18) months from the date of its incorporation. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the

Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting, which he attends on any part of the business, and which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

102. Report statement and registers to be laid before the Annual General Meeting

The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table, the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.

103. Extra-Ordinary General Meeting

All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.

104. Requisitionists' meeting

(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-

(a) Give to the Members of the Company who are entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(b) Circulate to the Members entitled to receive notice of any General Meeting sent to them, any statement of not more than one thousand (1000) words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

(2) The number of Members necessary for a requisition under clause (1) hereof shall be

(a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred (100) Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rs.1,00,000 in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.

(i) in case of a requisition, requiring notice of resolution, not less than six (6) weeks before the Meeting.

(ii) in case of any other requisition, not less than two (2) weeks before the Meeting, and

(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.

PROVIDED THAT, if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six (6) weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.

(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

105. Extra-Ordinary General Meeting by Board and by requisition

(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and / or they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

When a Director or any two Members may call an Extra Ordinary General Meeting.

(b) If at any time there are not sufficient Directors within India capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

106. Contents of requisition, and number of requisitionists required and the conduct of Meeting

(1) In case of requisition of the meeting, the following provisions shall have effect:

(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.

(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.

(e) If the Board does not within twenty-one (21) days from the date of the deposit of a valid requisition in regard to any matters, proceed to call a Meeting for the consideration of those matters on a day not later than forty-five (45) days from the date of the deposit of the requisition, the Meeting may be called:

(i) by the requisitionists themselves ; or

(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1), which ever is less. PROVIDED THAT, for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting, if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:

(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but

(b) shall not be held after the expiration of three (3) months from the date of deposit of the requisition. PROVIDED THAT, nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three (3) months aforesaid, from adjourning to some days after the expiry of that period.

(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.

(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company by way of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

107. Length of notice of Meeting

(1) A General Meeting of the Company may be called by giving not less than twenty-one (21) days notice in writing.

(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:

(i) In the case of Annual General Meeting, by all the Members entitled to vote thereat; and

(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five (95) percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.

PROVIDED THAT, where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.

108. Contents and manner of service of notice

(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.

(2) Subject to the provisions of the Act, notice of every General Meeting shall be given;

(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;

(b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and

(c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of Members of the Company

PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.

(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.

109. Special and ordinary business and explanatory statement.

(1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to

(i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors;

(ii) the declaration of dividend;

(iii) the appointment of Directors in the place, of those retiring; and

(iv) the appointment of, and the fixing of the remuneration of, the Auditors, and

(b) In the case of any other meeting, all business shall be deemed special

(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director.

PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty (20) percent of the paid up-share capital of the other company.

(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

110. Omission to give notice not to invalidate proceedings

The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

MEETING OF MEMBERS

111. Notice of business to be given

No General Meeting including Annual General Meeting or Extra-Ordinary General Meeting shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.

112. Quorum

Five (5) Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.

113. If quorum not present when Meeting to be dissolved and when to be adjourned

If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case, the Meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.

114. Resolution passed at adjourned Meeting

Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

115. Chairman of General Meeting

At every General Meeting, the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten (10) minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.

115(A) Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required

Any act or resolution, which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.

116. Business confined to election of Chairman whilst the Chair is vacant

No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

117. Chairman may adjourn Meeting

- (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.
- (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
- (c) When a Meeting is adjourned for thirty (30) days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.
- (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.

118. How questions are decided at Meetings

Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.

119. Chairman's declaration of result of voting on show of hands

A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.

120. Demand of poll

Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand

rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

121. Time of taking poll

A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight (48) hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.

122. Chairman's casting vote

In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

123. Appointment of scrutineers

Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

124. Demand for poll not to prevent transaction of other business

The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.

125. Special notice

Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen (14) days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven (7) days before the Meeting.

VOTES OF MEMBERS

126. Member paying money in advance not to be entitled to vote in respect thereof

A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

127. Restriction on exercise of voting rights of Members who have not paid calls

No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

128. Number of votes to which Member entitled

Subject to the provisions of Article 126, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.

129. Votes of Members of unsound mind

A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

130. Votes of joint Members

If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.

131. Representation of body corporate

(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.

Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.

132. Votes in respects of deceased or insolvent Members

Any person entitled under the Transmission Clause to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

133. Voting in person or by proxy

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and Article 131 above.

134. Rights of Members to use votes differently

On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses

135. Proxies

Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.

136. Proxy either for specified meeting or for a period

An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

137. No proxy to vote on a show of hands

No proxy shall be entitled to vote by a show of hands.

138. Instrument of proxy when to be deposited

The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.

139. Form of Proxy

Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.

140. Validity of votes given by proxy notwithstanding revocation of authority

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal, or revocation of the proxy, or of any power of attorney under which such proxy was signed, or the transfer of the Shares in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the registered office before the commencement of the Meeting or adjourned Meeting at which the proxy is used; provided further nevertheless, that the Chairman of any Meeting shall be entitled to require such evidence of the due execution of an instrument of proxy and of the same not having been revoked, as he may in his discretion think fit.

141. Time for objection to vote

No objection shall be made to the qualification of any voter, or to the validity of a vote, except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and such objection made in due time shall be referred to the Chairman of the Meeting, provided that every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all purposes.

142. Chairman of any Meeting to be the judge of validity of any value

The Chairman of any Meeting shall be the sole judge of the qualification of any voter and the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such a poll. The decision of the Chairman shall be final and conclusive.

143. Custody of instrument

If any such instrument of appointment is confined to the object of appointing an attorney or proxy for voting at Meetings of the Company, it shall remain permanently, or for any such shorter period as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

144. Number of directors

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.

145. First directors

The subscribers to the Memorandum of Association shall be the First Directors of the company.

146. Debenture Directors

Any Trust Deed for securing Debentures may provide for the appointment, from time to time by the Trustees thereof, or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be

liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.

147. Nominee Director or corporation director

a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to a bank, financial institution or any other financing company or body, out of any loans granted or to be granted by them to the Company, or so long as any bank or any other financing corporation or credit corporation, or any other financing company or body (each of which is hereinafter in this Article referred to as "The Corporation") continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Company may provide any such Corporation the right to appoint any person or persons as a Director from time to time, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove any persons so appointed from such office and to appoint any person or persons in his/ their places.

b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any qualification Shares in the Company. Further, such Nominee Director(s) shall not be liable to retirement by rotation. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

c) The Nominee Director(s) so appointed shall hold the said office only so long as at least one (1) of the conditions outlined in clause (a) of this Article continue to remain applicable between the Company and the Corporation; and the Nominee Director(s) so appointed in exercise of the said power shall vacate such office immediately on the aforementioned condition become inapplicable to the Company and the Corporation.

d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s), and also receive the minutes of such Meetings. The Corporation which has appointed the respective Nominee Director(s) shall also be entitled to receive all such notices and minutes.

e) The sitting fees in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form, which is payable to the Nominee Director by the Company, shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, may also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation.

Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s) by the Company; such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him,, in consultation with the company.

148. Limit on number of retaining Directors

The provisions of Articles 146 and 147 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

149. Alternate Director

The Board may appoint, a person as an Alternate Director, if recommended for such appointment by a Director (hereinafter in this Article called "the Original Director"), to act on behalf of the Original Director during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and to be counted for the purposes of a quorum; and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he

returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

150. Directors may fill in vacancies

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.

151. Additional Directors

The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors and additional Directors put together shall not at any time exceed the maximum number fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.

152. Qualification shares

A Director need not hold any qualification shares.

153. Directors' sitting fees

The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

154. Extra remuneration to Directors for special work

Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.

Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either by way of monthly, quarterly or annual payment with the approval of the Central Government; or

ii) by way of commission if the Company by a Special Resolution authorizes such payment.

155. Traveling expenses incurred by Directors on Company's business

The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.

156. Director may act notwithstanding vacancy

The continuing Director or Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act only for the purpose of increasing the number of Directors, or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.

157. Board resolution necessary for certain contracts

(1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company:

(a) For the sale, purchase or supply of goods, materials or services; or

(b) for underwriting the subscription of any Share in or debentures of the Company;

provided how ever that nothing contained in clause(a)of sub-clause(1)shall affect:-

(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts;

(2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.

(3) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which was entered into.

(4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be avoidable at the option of the Board.

(5) If the contract mentioned in this Article is approved by the Board, the Directors, so contracting or being so interested, shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

158. Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Wholetime Director

When the Company:-

(a) enters into a contract for the appointment of a Managing Director or Wholetime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or

(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.

159. Directors of interest

(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act.

General notice of disclosure

A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to ensure that such notice is brought up and read at the first meeting of the Board after it is given.

160. Directors and Managing Director may contract with Company

Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

161. Disqualification of the Director

A person shall not be capable of being appointed Director of the Company if:-

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

162. Vacation of office by Directors

The office of Director shall become vacant if:-

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudged an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or
- (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or
- (f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or
- (g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
- (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or
- (i) he becomes disqualified by an order of the Court under Section 203 of the Act; or
- (j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or
- (k) if by notice in writing to the Company, he resigns his office, or
- (l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

163. Vacation of office by Directors (contd.)

Notwithstanding anything contained in clauses (c), (d) and (i) of Article 162, the disqualification referred to in these clauses shall not take effect:

- (a) for thirty days from the date of the adjudication, sentence or order;
- (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

164. Removal of Directors

- (a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.
- (b) Special Notice as provided by these Articles or Section 190 of the Act, shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.
- (c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.

(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are received by it too late for it to do so:

(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and

(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.

(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 262 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) above. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under clause (e) above, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 153 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly.

(g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(h) Nothing contained in this Article shall be taken:-

(i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director, or

(iii) as derogating from any power to remove a Director which may exist apart from this Article.

165. Interested Directors not to participate or vote in Board's proceedings

No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-

(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;

(i) in his being:

(a) a director of such company; and

(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or

(ii) in his being a member holding not more than two percent of its paid-up share capital.

166. Director may be director of companies promoted by the Company

A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

167 Appointment of Sole Selling Agents

- a) The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.
- b) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.

ROTATION AND APPOINTMENT OF DIRECTORS

168. Rotation of Directors

Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

169. Retirement of Directors

Subject to the provisions of Articles 148 and 150, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.

170. Retiring Directors

Subject to the provisions of Section 256 of the Act and Articles 146 to 153, at every Annual General Meeting of the Company, one-third of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 184, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

171 Appointment of Technical Directors

- a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- b) Subject to the provisions of Section 262 of the Act, if the office of any Director, appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

172. Ascertainment of Directors retiring by rotation and filling of vacancies

Subject to Section 288 (5) of the Act, the Directors retiring by rotation under Article 170 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.

173. Eligibility for re-election

A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires.

174. Company to fill vacancies

Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.

175. Provision in default of appointment

- (a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:

- (i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost; or
- (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed; or
- (iii) he is not qualified or is disqualified for appointment; or
- (iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act; or
- (v) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.

176. Company may increase or reduce the number of Directors or remove any Director

Subject to the provisions of Section 252, 255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.

177. Appointment of Directors to be voted individually

- (a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.
- (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.
- (c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

178. Notice of candidature for office of Directors except in certain cases

- (1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.
- (2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.
- (3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.
- (4) A person other than:-
A Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act, appointed as a Director re-appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.

179. Disclosure by Directors of their holdings of their Shares and debentures of the Company

Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.

180. Votes of Body Corporate

A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy)

on behalf of the body corporate which he represents as that body could exercise as if it were as individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.

MANAGING DIRECTOR

181. Powers to appoint Managing Director

Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Wholtime Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

- (a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956.
- (b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.

182. Remuneration of Managing Director

Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.

183. Special position of Managing Director

Subject to Articles 190, 191; and any contract between him and the Company, a Managing or Wholtime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, *ipso facto* and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

184. Powers of Managing Director

The Directors may from time to time entrust to and confer upon a Managing Director or Wholtime Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.

185. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholtime Director or Wholtime Directors of the Company and may exercise all the powers referred to in these Articles.

186. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.

187. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.

188. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

188A Appointment and powers of Manager

The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

WHOLE TIME DIRECTOR**189. Power to appoint Whole Time Director and/or Whole-time Directors**

Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law, if any, appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/ persons nominated only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine or permanently for life time upon such terms and conditions as the Board thinks fit. The Board may by ordinary resolution and / or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period of periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and / or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors / persons nominated only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.

190. Provisions applicable to Whole time Directors , for retirement by rotation, etc

Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Director shall be liable to retire by rotation, while he/they continue to hold that office, he/ they shall be subject to the same provision as to resignation and removal as the other Directors, and he/they shall ipso facto and immediately ceases or otherwise under the sees to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act any Annual General Meeting and shall be re-appointed as a Director of Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.

191. Seniority of Whole Time Directors

For the purpose of Article 190 the seniorities of the Whole Time Directors shall be determined by the date of their respective appointments as Whole Time Directors of the Company

PROCEEDINGS OF THE BOARD OF DIRECTORS**192. Meeting of Directors**

The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

193. Quorum

(a) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time.

(b) for the purpose of clause(a)

(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and

(ii) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the

Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.

194. Procedure when Meeting adjourned for want of quorum

If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand, adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.

195. Chairman of Meeting

The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting. In the event such Chairman is interested on any item in the agenda of the meeting, another Director should be appointed Chairman for such an item.

196. Question at Board meeting how decided

Subject to the provisions of Section 316 and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

197. Powers of Board meeting Directors may appoint Committee

A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.

198. The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.

199. Meeting of the Committee how to be governed

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.

200. Circular resolution

(a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 201 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.

(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India, or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors, or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

201. Acts of Board or Committee valid notwithstanding defect in appointment

All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give

validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

202. General powers of management vested in the Board of Directors

The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided that the Board shall not, except with the consent of the Company in General Meeting :-

(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;

(b) remit, or give time for the repayment of, any debt due by a Director,

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;

(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)

(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

203. Certain powers to be exercised by the Board only at Meetings

(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;

(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,

(b) the power to authorise the buy-back referred to in the first proviso to section 77A(2)(b).

(c) the power to issue Debentures,

(d) the power to borrow moneys otherwise than on Debentures,

(e) the power to invest the funds of the Company, and

(f) the power to make loans

Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (d), (e) and (f) to the extent specified below:

(2) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.

(3) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.

(4) Every resolution delegating the power referred to in sub-clause (1) (f) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

204. Certain powers of the Board

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:

1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
2. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
3. Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
5. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
6. To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.
7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.
9. To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.
10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
11. Subject to the provisions of Sections 291, 292, 295, 372A and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
13. To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
14. To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company.
15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys,

pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.

16. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

17. To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause.

18. To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.

19. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.

20. Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.

21. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors,

nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.

22. Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

23. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

24. To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.

25. To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

26. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

27. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.

28. To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.

29. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.

30. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.

31. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.

32. To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.

33. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.

34. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

35.

MANAGEMENT

205. Prohibition of simultaneous appointment of different categories of managerial personnel

The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely :-

- a) Managing Directors and
- b) Managers.

MINUTES**206. Minutes to be made**

(1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:

(a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.

207. Minutes to be evidence of the proceeds

(a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Books of minutes of General Meeting to be kept

(b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 196 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.

208. Presumptions

Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

THE SECRETARY**209. Secretary**

The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called "the Secretary") to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Secretary's Qualification) Rules 1975.

210. The Seal, its custody and use**(a) Seal**

The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

b) Common Seal for use outside India

The Board may for the purpose of use of the Common Seal outside India, cause a facsimile of the Common Seal to be made and authorize the use of it in the manner provided under Section 50 of the Companies Act, 1956

(c) Safe Custody of Seal

The Common Seal shall be in the safe custody of the Director or the Secretary for the time being of the Company.

(d) Affixing of Seal on deeds and instruments'

On every deed or instrument on which the Common Seal of the Company is required to be affixed, the Seal be affixed in the presence of a Director or a Secretary or any other person or persons Authorised in this behalf by the Board, who shall sign every such deed or instrument to which the Seal shall be affixed.

(e) Affixing of Seal on Share Certificates

Notwithstanding anything contained in Clause (d) above, the Seal on Share Certificates shall be affixed in the presence of such persons as are Authorised from time to time to sign the Share Certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules in force for the time being.

(f) Removal of Common Seal outside the office premises

The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office inside or outside for affixture and for return to safe custody to the Registered Office.

DIVIDENDS AND CAPITALISATION OF RESERVES

211. Division of profits

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

212. The Company at General Meeting may declare dividend

The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

213. Dividends out of profits only

No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.

214. Interim dividend

The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.

215. Debts may be deducted

(a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Clause (Article 81), entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.

216. Capital paid-up in advance as interest not to earn dividend

Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

217. Dividends in proportion to amounts paid-up

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.

218. No Member to receive dividend while indebted to the Company and the Company's right in respect thereof

No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

219. Effect of transfer of Shares

A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

220. Dividend to joint holders

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

221. Dividend how remitted

The dividend payable in cash may be paid by cheque, electronic mode (including RTGS, NEFT, ECS, Direct Credit, etc) or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders

who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

222. Notice of dividend

Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.

223. Reserves

The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

224. Dividend to be paid within time required by law.

The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-

- (a) where the dividend could not be paid by reason of the operation on any law; or
- (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or
- (c) where there is dispute regarding the right to receive the dividend; or
- (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or
- (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

225. Unclaimed dividend

Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account of Gokul Refoils and Solvent Limited".

Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.

Further, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law; In this clause, the expression "dividend which remains unpaid" means any dividend the warrant in respect thereof has not been encashed or which has otherwise not been paid or claimed.

226. Set-off of calls against dividends

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

227. Dividends in cash

No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

228. Capitalisation

(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;

(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or

(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or

(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause (b)

(3) A share premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.

229. Board to give effect

The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

230. Fractional certificates

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and

(b) Generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:

(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also

(b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.

(3) Any agreement made under such authority shall be effective and binding on all such Members.

(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

ACCOUNTS

231. Books to be kept

(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place

(b) all sales and purchases of goods by the Company

(c) the assets and liabilities of the Company and

(d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

232. Inspection by Members

No Members (not being a Director) shall have any right of inspecting any account books or documents of the

Company except as allowed by law or authorised by the Board.

233. Statements of accounts to be furnished to General Meeting

The Board of Directors shall from time to time in accordance with Sections 210,211,212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

234. Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219

(1) The Company shall comply with the requirements of Section 219 of the Act.

(2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.

A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.

235. Accounts to be audited

Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.

236. Appointment of Auditors

(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.

(2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

- (a) he is not qualified for re-appointment;
- (b) he has given to the Company notice in writing of his unwillingness to be re-appointed;
- (c) a resolution has been passed at that Meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or
- (d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.

(4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.

(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of any Auditor, the vacancy shall only be filled by the Company in General Meeting.

(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.

237. Accounts when audited and approved to be conclusive except as to errors discovered within 3 months

Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and

approval and, on such approval, shall be conclusive.

DOCUMENTS AND NOTICES

238. To whom documents must be served or given

Document or notice, of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company, a statement of material facts need not be annexed to the notice, as is required, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.

239. Members bound by documents or notices served on or given to previous holders

Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.

240. Service of documents on the Company

A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.

241. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.

REGISTERS AND DOCUMENTS

242. Registers and documents to be maintained by the Company

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including (but not limited to) the following:

- (a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act
- (b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act.
- (c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act.
- (d) Foreign register, if so thought fit, as required by Section 157 of the Act
- (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.
- (f) Register of Directors and Secretaries etc. as required by Section 303 of the Act.
- (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.
- (h) Register of investments, loans, guarantees and securities made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372A(5) of the Act.
- (i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

243. Inspection of Registers

The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

WINDING UP

244. Distribution of assets

If the Company shall be wound up, and the assets available for distribution among the Members as such shall be

insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

245. Distribution in specie or kind

(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

246. Right of shareholders in case of sale

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

247. Directors and others right to indemnity

Subject to the provisions of Section 201 of the Act, every Director of officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

248. Director, officer not responsible for acts of others

Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECURITY CLAUSE

249. Secrecy Clause

Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent,

accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

250. No Member to enter the premises of the Company without permission

No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of our Company between 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid Closing Date/Issue Closing Date.

Material Contracts

1. Engagement Letter dated September 12, 2007 from our Company appointing Anand Rath Securities Limited and Intensive Fiscal Services Private Limited as BRLMs.
2. Copy of Memorandum of Understanding between the Company, Gokul Refoils and Solvent Limited, the BRLMs, Anand Rath Securities Limited and Intensive Fiscal Services Private Limited, dated September 12, 2007.
3. Copy of Memorandum of Understanding executed by the Company and Intime Spectrum Registry Limited, Registrar to the Issue dated September 12, 2007.
4. Copy of tripartite agreement entered into between NSDL, the Company and Intime Spectrum Registry Limited, Registrar to the Issue dated [●].
5. Copy of tripartite agreement entered into between CDSL, the Company and Intime Spectrum Registry Limited, Registrar to the Issue dated [●].
6. Copy of Escrow Agreement dated [●] between the Company, Anand Rath Securities Limited and Intensive Fiscal Services Private Limited, Syndicate Members, Escrow Collection Banks, and Intime Spectrum Registry Limited, Registrar to the Issue.
7. Copy of Syndicate Agreement dated [●] between the Company, Anand Rath Securities Limited and Intensive Fiscal Services Private Limited and the Syndicate Members.
8. Copy of Underwriting Agreement dated [●] between the Company, Anand Rath Securities Limited and Intensive Fiscal Services Private Limited and the Syndicate Agreement.

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of the company as amended.
2. Certified copy of Certificate of Incorporation of Gokul Refoils and Solvent Private Limited dated [●]
3. Certified copy of fresh Certificate of Incorporation of Gokul Refoils and Solvent Limited dated [●], upon conversion from private limited to public limited.
4. Reports of the Statutory Auditors, M/s. M. R. Pandhi & Associates, Chartered Accountants, dated October 6, 2007 as mentioned in this Draft Red Herring Prospectus.
5. Letter dated October 6, 2007 given by M/s. M. R. Pandhi & Associates, Chartered Accountants, regarding possible tax benefits available to the Company and its current shareholders under the current tax laws presently in force in India.
6. Consent letter dated November 5, 2007 from M/s. M. R. Pandhi & Associates, Chartered

Accountants for inclusion of their name as the Statutory Auditors and of their reports on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

7. Consent letters from Directors, Book Running Lead Managers to the Issue, Bankers to the Issue, Bankers to the Company, Legal Advisor to the Issue, Grading Agency, Registrar to the Issue, Company Secretary and Compliance Officer to act in their respective capacities and for inclusion of their names in the Draft Red Herring Prospectus.
8. Consent letter from project appraising agency, Gujarat Industrial and Technical Consultancy Organisation Limited to act in their respective capacity and for inclusion of their name in the Draft Red Herring Prospectus.
9. General Power of Attorney executed by the Directors for signing and making corrections to the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus and other related documents on their behalf.
10. Copies of Annual Reports of the Company for the last five financial years ending on March 31, 2007, 2006, 2005, 2004, 2003.
11. Copy of Special Resolution passed by the Members of the Company at their Extra Ordinary General Meeting held on September 6, 2007 pursuant to Section 81 (1A) of the Companies Act.
12. Copy of Resolutions passed by the Board of Directors of the Company at their meeting held on August 10, 2007 in relation to this Issue under Section 81 (1A) of the Companies Act.
13. Copy of Resolution passed by the Board of Directors of our company at their meeting held on June 15, 2007 and copy of resolution passed by the members in the Extra Ordinary General Meeting held on August 1, 2007 for reappointment of our Chairman and Managing Director, Managing Director and Whole time Director of our Company.
14. Copy of Resolution passed by the Board of Directors of our company at their meeting held on October 30, 2003 for reappointment of the Whole-time Director of our Company.
15. Copies of Agreements with Chairman and Managing Director, Managing Director.
16. Listing application dated [●] and [●] filed with BSE and NSE, respectively.
17. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
18. Due Diligence Certificate dated November 5, 2007 to SEBI from Anand Rathi Securities Limited and Intensive Fiscal Services Private Limited.
19. Copy of SEBI observation letter no. [●] dated [●].
20. Project Appraisal Reports by GITCO dated August 24, 2007 and September 7, 2007 for our projects of 1500 TPD soyabean plant and expansion of Surat refinery, respectively.
21. State Bank of India appraisal note dated October 26, 2007 for our projects of 1500 TPD soyabean plant and expansion of Surat refinery.
22. Memorandum of Understanding between Gujarat Mineral Development Corporation Limited and our Company dated February 13, 2007 and its letter dated November 1, 2007.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the applicable laws.

DECLARATION

This is to confirm that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Mr. Balvantsinh Rajput
Chairman and Managing Director

Mr. Kanubhai Thakkar
Managing Director

Mr. Dinesh Sharma
Whole Time Director

Dr. Dipuba Devda
Independent Director

Mr. Piyushchandra Vyas
Independent Director

Dr. Rashid Ali Khan
Independent Director

Mr. Ram Lohia
Chief Executive Officer

Mr. Prakash Agarwal
Chief Financial Officer

Place: Ahmedabad
Date: November 5, 2007

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