

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

**AUDIT REPORT 2006-2007**

**S. K. BHAMKAR & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
410, THIRD FLOOR, ESKAY PLAZA,  
NEAR ANAND TALKIES,  
MOUDHA PARA,  
RAIPUR (C.G.)  
PHONE NO. 4033474, 4033475  
E-mail [skbhamkar@yahoo.com](mailto:skbhamkar@yahoo.com)

**M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.**

**BOARD OF DIRECTORS**

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

**AUDITORS**

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

**BANKERS**

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

**REGISTERED OFFICE**

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

**FACTORY**

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

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

**NOTICE OF ANNUAL GENERAL MEETING**

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

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

**ORDINARY BUSINESS:**

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

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

**SPECIAL BUSINESS:**

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

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

Place: Raipur

Date: 10<sup>th</sup> August, 2007

By order of the Board

  
(P.C. RAHEJA)  
Managing Director

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

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

**NOTES :**

**1. Explanatory Statement.**

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

**2. Proxy.**

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

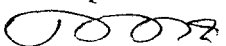
**3. Book Closure**

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

Place: Raipur

Date: 10<sup>th</sup> August, 2007

By Order of the Board

  
(P. C. RAHEJA)  
Managing Director

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT**

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

**Item No. 4:**

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

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

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

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

Place: Raipur

Date: 10<sup>th</sup> August, 2007

By Order of the Board

  
(P. C. RAHEJA)  
Managing Director

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

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

**DIRECTORS' REPORT**

Dear Shareholders,  
**SHREE RAJIV LOCHAN OIL EXTRACTION LIMITED**

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

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

**FINANCIAL RESULTS:**

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

**DIVIDEND AND TRANSFER TO RESERVES:**

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

**OPERATIONS:**

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

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

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

**PARTICULARS OF EMPLOYEES :**

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

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

# SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

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

## DIRECTORS:

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

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

## AUDITORS:

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

## AUDITORS' REPORT:

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

## CORPORATE GOVERNANCE:

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

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

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

**NOTES :**

**1. Explanatory Statement.**

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

**2. Proxy.**

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

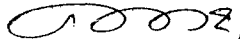
**3. Book Closure**

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

Place: Raipur

Date: 10<sup>th</sup> August, 2007

By Order of the Board

  
(P. C. RAHEJA)  
Managing Director

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT**

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

**Item No. 4:**

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

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

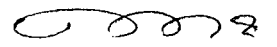
A brief resume of Shri Gulwani his nature of expertise and names of companies of companies in which he holds directorship, membership or chairmanship of the Board/Committees as stipulated under clause 49 of Listing Agreement is provided in the report on corporate governance forming part of the Annual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

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

Place: Raipur

Date: 10<sup>th</sup> August, 2007

By Order of the Board

  
(P. C. RAHEJA)  
Managing Director

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

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

**ACKNOWLEDGEMENTS:**

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

**For and on behalf of the Board of Directors**



**(SANJAY RAHEJA)**  
Chairman

**Date : 10<sup>th</sup> August, 2007**

**Place : Raipur**

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



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

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

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

**A. CONSERVATION OF ENERGY**

(A) Energy Conservation Measures Taken:

Your company has not undertaken any energy conservation measures.

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

None at present

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

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

**I. POWER AND FUEL CONSUMPTION**

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

**II. CONSUMPTION PER UNIT OF PRODUCTION**

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

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

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

**B. TECHNOLOGY ABSORPTION :**

**RESEARCH AND DEVELOPMENT (R & D)**

(a) Research and Development :

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

For and on behalf of the Board of Directors



(SANJAY RAHEJA)  
Chairman

Date : 10<sup>th</sup> August, 2007

Place : Raipur

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

The management of your Company is pleased to present the discussions and analysis on the industry structure, developments, future outlook and operating and financial performance.

**I - INDUSTRY STRUCTURE AND DEVELOPMENT**

**a) Industry Scenario:**

The per capita consumption of vegetable oil is relatively low in India leaving a scope for market expansion consistent with high disposal income in future. Keeping in view the rising input costs on account of imports, various measures are being taken by the Government to step up the domestic oil seed production and moderate import duties with a view to ensure adequate availability and price stability, taking into account the equitable view towards various stakeholders such as domestic farmers, industry, consumers etc.

**b) Industry outlook:**

The introduction of Value Added Tax has brought in the much needed uniformity and transparency in the edible oil industry. The industry is in the process of consolidation with the large domestic and multinational entities having strong business capabilities, efficiencies in logistics, operations in strategic locations and strong consumer focus and seeking opportunities to expand the growing market share.

**c) Risks and Concerns:**

Your company's business is exposed to price fluctuations on its major raw materials with bulk of them being agro based and subject to market price variations during the year. Prices of these commodities continue to be linked to both domestic and international prices, which depend on the various external factors like good monsoon in the country, import/exports, international crop size etc. The setting up of commodity exchange and introduction of commodity futures and other hedge strategies in the country has opened up reasonable opportunities for the industry to hedge and manage the impact of these price fluctuations.

**II - ANALYSIS & DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

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

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

**III - INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Monthly information system is backbone of our internal control system. Roles and responsibilities for all managerial positions have been clearly defined. All operating parameters are closely monitored and controlled. The management also regularly reviews the operational efficiencies, utilization of fiscal resources, and compliance with laws so as to ensure optimum utilization of resources and achieve better efficiencies.

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

# SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

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

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

The employees are basically its human resource assets. They have played significant role in growth of the Company and enabled Company to deliver superior performance during the year. The Company has initiated several steps for overall development, training and welfare of its human resource asset and progress is monitored on regular basis. Employee relations have continued to remain cordial during the year under review.

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demands/supply and price conditions in the domestic markets in which the company operates; changes in the Government regulations, tax laws and other statutes and other incidental factors.

For and on behalf of the Board of Directors



(SANJAY RAHEJA)

Chairman

Date : 10<sup>th</sup> August, 2007

Place : Raipur

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

# SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

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

## CORPORATE GOVERNANCE REPORT

### Company's philosophy on Corporate Governance:

Your Company's philosophy on Corporate Governance envisages attainment of high level of transparency, disclosure of timely and accurate information, effective monitoring of the Company's performance by the Board of Directors and exercise by the Board of directors of its fiduciary responsibility towards the shareholders of the company.

### Board of Directors:

#### Composition:

As on date of this Report, the Board of Directors of the Company, is comprised of 5 (Five) Directors. 3 (Three) Directors are Non-Executive Directors and out of them 2 are Independent Directors which is more than 1/3<sup>rd</sup> of the total strength as against minimum requirement of 33.33% percent as per the Listing Agreement.

The Chairman is Non-Executive and Non-independent Director belonging to the Promoter Group. The Managing Director is Executive and Non-independent, one Director is an Executive Director, three Director are Non-Executive and out of these three one Non-independent Director and remaining two Directors are Independent Directors.

The Constitution of the Board is exactly as per the requirements of Clause 49 of the Listing Requirement.

The names and categories of the Directors on the Board and also the number of Directorships and Committee Memberships held by them in other Companies as on 31<sup>st</sup> March, 2007 are given in Table 1 as under:

Table 1:

Name of the Directors	Category of Directors	No. of other Directorship held*	No. of Board Meetings attended	Last AGM attended	No. of other Board committees member/ chairman
Shri Sanjay Raheja	Chairman – Non-Executive	NIL	08	YES	
Shri Prakash Chand Raheja	Managing Director / Executive	NIL	08	YES	Audit & Shareholders Grievance Committee
Shri Harish Raheja	Executive	NIL	08	YES	
Shri Jitendra Jaiswani	Non Executive Independent	NIL	08	YES	Audit & Shareholders Grievance Committee
Shri Ravi Gulwani	Non Executive Independent	NIL	03	NA-	Audit & Shareholders Grievance Committee
Shri Mahendra Jain	Executive Director (Till 01.12.2006)	NIL	04	YES	

\*Other Directorship excludes Directorship in Private Companies.

\* Shri Mahendra Jain has resigned from the Directorship wef 01.12.2006

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

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

**Non-Executive Directors' compensation and disclosure:**

The Non- Executive directors are not paid any remuneration or sitting fee for attending Board or Committee Meetings

**Remuneration of Directors:**

Remuneration paid to the Executive Directors of the Company during the financial year 2006-07 is shown below in Table 2:

Table 2

Name of Director	Basic Salary	Bonus	Individual's Perform linked Incentive	Total
Shri Prakash Chand Raheja	8000 per month	NIL	NIL	8000 per month

**Board Procedures:**

During the year 2006-07, the Board met 08 times during the last year and agenda papers were circulated well in advance of each meeting of the Board of Directors. In order to ensure fruitful deliberations at the highest level, the Board of Directors of your company is provided with all relevant information on various matters related to the working of the company well in advance of each meeting. The dates on which the Board Meetings were held and the No. of Directors present in each meeting are given in Table 3 below:

Table 3:

Sr. No	Date of Meeting	No. of Directors Present
01	10.04.2006	05
02	18.07.2006	05
03	04.08.2006	05
04	16.10.2006	05
05	01.12.2006	04
06	01.01.2007	05
07	29.01.2007	05
08	31.03.2007	05

Your Company's Board of Directors plays the primary role in ensuring good governance and functioning of the Company. In addition to the items which are required to be placed before the Board for its noting and/or approval under the statutes or regulations, the Board also reviews from time to time compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance and all other significant items.

**AUDIT COMMITTEE:**

**Constitution and Composition**

The Audit Sub-Committee is constituted of Three Directors out of which two are independent Directors. The detailed composition of the members of the Audit Committee is given below:

The committee met One times during the year 2006-07 and the attendance of the members at these meetings was as follows:

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

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

Name of the Chairman/ Member	Status	Meetings attended
Shri Jitendra Jaiswani	Chairman (Non Executive, Independent Director)	01
Shri Ravi Gulwani	Member (Non Executive, Independent Director)	01
Shri Prakash Chand Raheja	Member (Executive Director)	01

All the members of the Audit Committee are financial literates as required by the revised Clause 49 of the Listing Agreement.

The functioning and terms of reference of the Audit Committee, the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 292A of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges as are in force/ applicable from time to time.

**DISCLOSURES:**

**Basis of related party transactions**

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of material individual transactions with related parties that are not in the normal course of business and details of material individual transactions with related parties that are not on an arm's length basis are placed before the audit committee. There are no material transactions with related parties, which require separate disclosure. A comprehensive list of transactions entered into with the related parties as required by the Accounting Standards (AS) 18 issued by the Institute of Chartered Accountants of India is given as a separate Schedule to the accounts in the Annual Report.

**Disclosure of accounting treatment**

The Company has followed all relevant accounting standards while preparing the financial statements.

**Risk Management**

The risk management issues are discussed in detail in the report of Management Discussion and Analysis. Since the risk control framework is new to Indian corporate culture, it is being strengthened on a continuous basis.

The Board has yet to lay down procedures to inform the company's risk assessment and minimization procedures. The company is in process of devising the risk assessment and minimization procedures which shall be laid before the Board of Directors of the company for approval.

**Proceeds from public issues, right issues, preferential issues etc**

There were no public issues, right issues, preferential issues etc. during the Financial Year 2006-07 under review.

**Management**

Management Discussion and Analysis report has been given as a separate chapter in the Annual Report.

**Disclosure of material transactions**

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interests of the Company.

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

# SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

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

## Insider trading Disclosure:

Comprehensive insider trading disclosure guidelines in line with the SEBI Regulations have been adopted by the Board in which the procedure to be followed by all the key managerial persons, staff and other relevant business associates for disclosure of all security transactions of the shares of the company on the basis of any unpublished price sensitive information relating to the company.

## Shareholders

Particulars of Directors seeking appointment / re-appointment:

Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting to be held on 27<sup>th</sup> September, 2007 are given as under:

Shri Ravi Gulwani 25 years, is a Commerce Graduate. He has vast experience in Finance and Accounts.

## Communication to Shareholders:

Quarterly results are sent to the stock exchanges on which the Company is listed a.

## Shareholders/ Investors Grievance Committee:

The Investors Grievance Committee is constituted of three Directors out of which two are independent Directors. The detailed composition of the members of the Investors Grievance Committee is given below:

Name of the Chairman/ Member	Status	Meetings attended
Shri Jitendra Jaiswani	Chairman (Non Executive, Independent Director)	01
Shri Ravi Gulwani	Member (Non Executive, Independent Director)	01
Shri Prakash Chand Raheja	Member (Executive Director)	01

The company has not received any complaints from any of the shareholders of the company during the year.

## Other Information to Shareholders:

The location, date and time of the last three Annual General Meetings were as under:

YEAR	DATE	TIME	VENUE
2003-2004	25.09.2004	11.00 a.m.	27/3, Jawahar Nagar, Raipur
2004-2005	30.09.2005	11.00 a.m.	27/3, Jawahar Nagar, Raipur
2005-2006	30.09.2006	11.00 a.m.	27/3, Jawahar Nagar, Raipur

No Special Businesses have been considered in any of the last three AGM.

## General Information:

### 1. ANNUAL GENERAL MEETING : Tentative Schedule

Date	27 <sup>th</sup> September, 2007
Time	11.00 a.m.
Venue	27/3, Jawahar Nagar, Raipur

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



# SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

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

2. FINANCIAL CALENDER (2007-2008)  
Board Meeting (for Financial Result)-  
Quarter ending on 30<sup>th</sup> June 2007 : Last week of July, 2007  
Half-year ending on 30<sup>th</sup> September 2007 : Last week of October, 2007  
Quarter ending on 31<sup>st</sup> December 2007 : Last week of January, 2008  
Year ending on 31<sup>st</sup> March 2008 : Last week of April, 2008
3. DATE OF BOOK CLOSURE : 24<sup>th</sup> September, 2007 to 27<sup>th</sup> September, 2007  
(Both days inclusive)
5. LISTING ON STOCK EXCHANGE : The shares of the Company are listed in Mumbai  
Stock Exchange and M.P. Stock Exchange.
6. STOCK CODE : Stock code is not available since Listing and  
Trading permission is pending.
7. MARKET PRICE DATA : Not Available since there is no official trading in  
any of the Stock Exchanges.
8. Share Price movement in comparison to  
broad based indices : N.A.
9. Registrar and Transfer Agent : Not appointed
10. Share transfer system:

Share transfers in physical form can be lodged with the company at its Registered Office. Transfers normally are processed within the stipulated time, if the documents are complete in all respects. All share transfers are approved by the Investors Grievance Committee.

## 11. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2007:

Shareholding of Nominal Value (Rs.)	Shareholders		Shares Held	
	Number	% to Total	Number	% to Total
Up to 5000	854	0.00%	376200	9.19
5001 - 10000	290	0.00%	231000	5.64
10001- 20000	90	0.00%	169100	4.13
20001 - 30000	48	0.00%	125200	3.06
30001 - 40000	9	0.00%	34400	0.84
40001 - 50000	30	0.00%	147500	3.60
50001 and above	62	0.00%	3009600	73.54
TOTAL	1382	0%	4093000	100

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

# SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

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

## 12. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2007:

Serial No.	Category	No. of Shares held	Percentage
1	Promoter's group	827500	20.22
2	Institutional Investors	Nil	Nil
3	Corporate Bodies	224000	5.47
4	NRIs/ OCBs	5400	0.13
5	General Public	3,036,100	74.18
	<b>TOTAL</b>	<b>4093000</b>	<b>100</b>

13. DEMATERIALIZATION OF SHARES : Dematerialization process is in progress.

## 14. LOCATION of Plant, Registered and Corporate Offices:

### Plant and Registered Office

Registered Office: 27/3, Jawahar Nagar, Raipur (CG) 492001  
Factory: 671-678 Industrial Area Urla, Raipur (CG) 493221  
Tel: +91-771 2225441, 4035760(O), 2324331 (F)

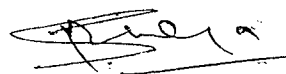
### CEO/CFO Certification

Shri Prakash Chand Raheja, Managing Director and Shri Harish Raheja, Director of the Company have certified to the Board with regard to the financial statements and other matters as required in clause 49 of the listing agreement and the said certificate is contained in this annual report.

### Report on Corporate Governance

This chapter, read together with the information given in the chapter titled Management Discussion and Analysis constitute compliance report on Corporate Governance during 2006-07.

For and on behalf of the Board of Directors



(SANJAY RAHEJA)  
Chairman

Date : 10<sup>th</sup> August, 2007

Place : Raipur

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

# SHREE RAJIVLOCHAN OIL EXTRACTION LIMITED

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

## CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To

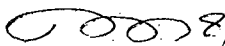
Date: 10<sup>th</sup> August, 2007

The Board of Directors

SHREE RAJIV LOCHAN OIL EXTRACTION LIMITED

We have reviewed the financial statements and the cash flow statement for the financial year 2006-07 and hereby certify that to the best of our knowledge and belief:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2006-07 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls. For financial reporting and that we have evaluated the effectiveness of the internal control system for the purpose of financial reporting of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems for the purpose of financial reporting and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
  - a) There have been no significant changes in internal control during this year.
  - b) There have been no significant changes in accounting policies during this year, except change in method of depreciation from WDV to SLM as per Companies Act, 1956.
  - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

  
(Prakash Chand Raheja)  
Managing Director

  
(Harish Raheja)  
Director

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

**AUDITORS REPORT**

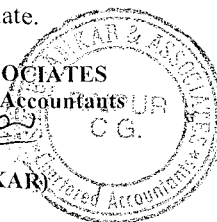
To  
The Members of  
**SHREE RAJIV LOCHAN OIL EXTRACTION LTD.**  
**JAWAHAR NAGAR, RAIPUR (C.G.)**

1. We have audited the attached balance sheet of **SHREE RAJIV LOCHAN OIL EXTRACTION LTD.**, as at 31st March 2007 and the profit and loss account annexed thereto for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of sub section (4A) of Section 227 of the Companies Act, 1956. We enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comment in the Annexure referred to above and subject to the notes given in Schedule – "Q" we state that.
  - (i) We have obtained all the information and explanations, which to the best of our knowledge belief were necessary for the purpose of our audit.
  - (ii) In our opinion, the Company as required by law, has kept proper books of account so far as appears from our examination of the books.
  - (iii) The balance sheet and profit and loss account dealt with, by this report are in agreement with the books of accounts as submitted to us.
  - (vi) In our opinion, the Balance sheet and profit and loss account dealt with, by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of written representation received, from the directors as on 31<sup>st</sup> March 2007, and taken on records by the Board of Directors, we report that none of the directors is disqualified, as on 31<sup>st</sup> March 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations gives to us, the said accounts read along with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - (a) In the case of the balance sheet of the state of the affairs of the Company, as at 31<sup>st</sup> March 2007;
    - (b) In the case of the profit and loss account of the profit for the year ended on that date.
    - (c) In the case of cash flow statements, of the cash flows for the year ended on that date.

Place: Raipur  
Date : 7.08.2007

For S.K. BHAMKAR & ASSOCIATES  
Chartered Accountants

(SANTOSH BHAMKAR)  
Proprietor  
Membership No. 076457



**ANNEXURE TO THE AUDITOR'S REPORT**

**Re: SHREE RAJIV LOCHAN OIL EXTRACTION LTD.**  
**(Referred to in paragraph 1 of our report of even date)**

- I.
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Management during the year has physically verified all the assets. No material discrepancies were noticed on such verification.
  - c) The Company has not disposed off any assets during the year. Therefore the going concern status of the company has not been affected.
- II.
- a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
  - b) In our opinion and according to the explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) On the basis of our examination of the records of inventories, we are of the opinion that, the company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book record were not material and has been properly dealt with in the books of accounts.
- III.
- a) (i) The company has not taken any unsecured loans from parties, listed in the register maintained U/s 301 of Companies Act, 1956.
  - b) (ii) There is one Company covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans. The maximum amount involved during the year was Rs.2500000/- and the year end balance of loans granted to such parties was Rs.2500000/-.
  - c) (i) Above 3(a)(i) loans are interest free and without any stipulation as to the time of payment.
- IV. In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system
- V.
- a) According to the information & explanations given to us, we are of the opinion that transactions which need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have so been entered.
  - b) In our opinion and According to the information & explanations given to us, the transaction made in pursuance of contract or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lakh in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- VI. The company has not accepted any deposits from the public within the meaning of section 58A of the companies Act,1956 and the rules framed thereunder. Therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company. Further



we are informed that no order has been passed by the Company Law Board, or Company National Law Tribunal, or Reserve Bank of India or any court or any other Tribunal.

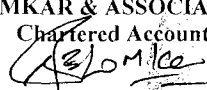
- VII. In Our opinion , the company has internal audit system commensurate with its size & the nature of its business.
- VIII. In our opinion and according to the information and explanations given to us, maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company. Therefore the provisions of clause 4(viii) are not applicable to the company.
- IX.
- a) As explained to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, excise duty, cess, wealth tax, service tax and other material statutory dues applicable to it. Except provident fund , E.S.I.C.
- b) According to the information & explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears as at 31<sup>st</sup> March 2007 for a period of more than six months from the date they became payable.
- c) According to the information given to us, there are no dues of sales tax, income tax ,wealth tax, service tax , custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- X. The company does not have accumulated losses as at the end of the financial order exceeding fifty percent of its net worth and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- XI. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank or any financial institutions.
- XII. In our opinion and according to the information and explanations given to us & based on the documents, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion & according to the explanation given to us, the company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIV. In our Opinion , The company is not dealing in or trading in shares , securities , debenture and other investments Accordingly the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
- XV. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XVI. In our opinion & according to the explanation given to us, the term loans have been applied for the purpose for which they were used.
- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet & cash flow of the company, we report that the no funds raised on short-term basis have been used for long term investment & vice versa.

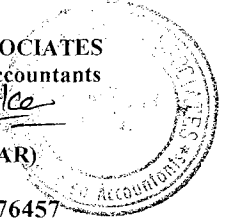


- XVIII The company has not made allotment of shares to any parties during the year. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIX The company has not issued any debentures during the year. Therefore the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XX The company has not raised any money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.s
- XXI *In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year. Therefore, the provisions of clause 4(xxi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.*

Place: Raipur  
Date: 7.08.2007

For S.K. BHAMKAR & ASSOCIATES  
Chartered Accountants

  
(SANTOSH BHAMKAR)  
Proprietor  
Membership No. 076457



M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.  
RAIPUR

Balance Sheet as on 31-03-2007

PARTICULARS	SCH.	AS AT 31-03-2007 AMOUNT(Rs.)	AS AT 31-03-2006 AMOUNT(Rs.)
<b>Sources of Funds</b>			
Share Holders Fund			
Share Capital	A	30,150,000.00	30,020,000.00
Reserve & Surplus	B	1,686,065.55	1,413,368.50
Loan Funds			
Secured Loans	C	1,487,089.45	1,795,419.19
Unsecured Loans	D	-	17,277,133.00
Deferred Taxes		129,206.29	261,712.29
<b>Total</b>		<b>33,452,361.29</b>	<b>50,767,632.98</b>
<b>Application of Funds</b>			
Fixed Assets	E		
Gross Block		22,099,986.76	22,068,486.76
Less : Depreciation		18,023,827.16	17,313,403.93
Net Block		4,076,159.60	4,755,082.83
Investments	F	13,298,000.00	3,298,000.00
Current Assets Loans & Advances			
Current Assets			
Cash & Bank Balances	G	162,772.95	203,033.95
Inventories	H	12,483,887.00	6,088,161.00
Sundry Debtors	I	7,397,932.20	10,174,872.20
Security Deposit	J	595,330.34	571,199.00
Advances To Suppliers	K	1,164,928.00	833,395.00
Other Current Assets	L	374,094.00	630,439.00
Loans & Advances	M	20,821,572.00	51,461,569.00
Less : Current Liabilities & Provisions	N	43,000,516.49	69,962,669.15
		26,922,314.80	27,248,119.00
Net Current Assets		16,078,201.69	42,714,550.15
<b>Total</b>		<b>33,452,361.29</b>	<b>50,767,632.98</b>

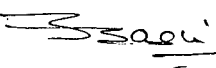
Accounting Policies & Notes to Accounts


Z

Auditors Report: As per our separate report of even date attached subject to Notes on Account Attached

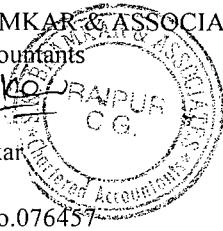
For, M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD

For, S.K. BHAMKAR & ASSOCIATES  
Chartered Accountants

  
Director

  
Santosh Bhamkar  
Proprietor

Membership.No.076457



Place: Raipur  
Date:07.08.2007



M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.  
RAIPUR

Manufacturing, Trading, Profit & Loss Account For the period ended on 31-03-2007

PARTICULARS	SCH.	AS AT 31-03-2007 AMOUNT(Rs.)	AS AT 31-03-2006 AMOUNT(Rs.)
<b>Income</b>			
Sales		61,669,538.00	69,455,450.00
Increase/(Decrease) in Stock	O	5,772,704.00	(2,794,101.00)
Other Income	P	1,362,054.34	972,443.00
<b>Total</b>		<b>68,804,296.34</b>	<b>67,633,792.00</b>
<b>Expenditure</b>			
Purchases	Q	6,697,783.00	3,249,896.00
Raw Material Consumed	R	47,016,894.00	46,833,540.00
Direct Expenses	S	8,116,527.00	11,033,594.00
Administrative Expenses	T	4,426,102.26	5,004,997.87
Managerial Remuneration	U	96,000.00	120,000.00
Depreciation	V	710,423.23	784,111.41
Public Issue Written Off		-	151,567.00
Cost of Borrowing	W	1,233,075.00	295,206.91
<b>Total</b>		<b>68,296,804.49</b>	<b>67,472,913.19</b>
Profit Before Tax		507,491.85	160,878.81
Less: Provision For Tax			
a) Current Tax		345,462.99	251,523.00
b) Fringe Benefit Tax		21,837.81	31,935.00
Total		140,191.05	(122,579.19)
Add: Net Defferd Tax Asset		132,506.00	144,272.00
Net Profit After Tax		272,697.05	21,692.81
Net Profit/(Loss) B/F from Previous year		(86,631.50)	(108,324.31)
Balance Trfd. to Balance Sheet		<b>186,065.55</b>	<b>(86,631.50)</b>

Auditors Report: As per our separate report of even date attached subject to Notes on Account Attached

For, M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD

Director

Place: Raipur

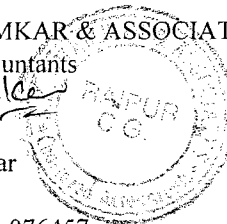
Date:07.08.2007

For, S.K. BHAMKAR & ASSOCIATES  
Chartered Accountants

Santosh Bhamkar

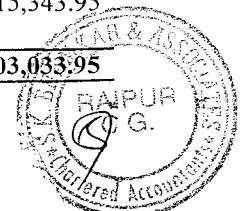
Proprietor

Membership.No.076457



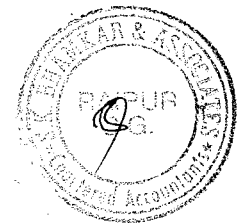
M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.  
Schedules for the year ended on 31-03-2007

PARTICULARS	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<b>Schedule No. - A</b>		
<b>Authorised share Capital</b>		
(4500000 Equity Shares of Rs. 10/- each)	4500000.00	4,500,000.00
<b>Issued,subscribed &amp; Paid up Share Capital</b>		
(1300000 Equity Shares of Rs. 10/- each)	13,000,000.00	13,000,000.00
(611000 Equity Shares of Rs. 10/- each)	6,110,000.00	6,110,000.00
(2182000 Equity Shares Of Rs. 10/- each)	21,820,000.00	21,820,000.00
<b>Less: Calls in Arrear</b>		
(2156000 Equity Shares of Rs.5/- each)	10,780,000.00	10,910,000.00
	<b>30,150,000.00</b>	<b>30,020,000.00</b>
<b>Schedule No. - B</b>		
<b>Reserve &amp; Surplus</b>		
Profit & Loss Account	186,065.55	(86,631.50)
Capital Subsidy	1,500,000.00	1,500,000.00
	<b>1,686,065.55</b>	<b>1,413,368.50</b>
<b>Schedule No. - C</b>		
<b>Secured Loans</b>		
Hdfc Bank A/C Car Loan	180,619.34	275,628.91
State Bank Of Saurashtra 3335	495,832.76	630,015.76
Union Bank Of India 29996	769,160.35	889,774.52
Indusind Bank Raipur	41,477.00	-
	<b>1,487,089.45</b>	<b>1,795,419.19</b>
<b>Schedule No. - D</b>		
<b>Unsecured Loans</b>		
Sahaj Tie-up Pvt. Ltd., Kolkata	-	2,521,993.00
Udaipuria Commodities (P) Ltd., Kolkata	-	2,524,862.00
Umli Share & Stocking ser Ltd., Kolkata	-	10,630,278.00
Shri Deepak Raheja, Raipur	-	600,000.00
Smt. Jayanti Devi Raheja, Raipur	-	500,000.00
Shri Sushil Kumar Khurana, Rajim	-	500,000.00
	<b>-</b>	<b>17,277,133.00</b>
<b>Schedule No. - F</b>		
<b>Investments</b>		
Vijay Shree Fats & Oil Prod (P) Ltd	3,287,000.00	3,287,000.00
Ashirwad Ispat Raipur Pvt. Ltd.	10,000.00	10,000.00
Raipur Industrial Consultant Pvt. Ltd.	1,000.00	1,000.00
Bagadiya Bros.(P) Ltd	10,000,000.00	-
	<b>13,298,000.00</b>	<b>3,298,000.00</b>
<b>Schedule No. - G</b>		
<b>Cash &amp; Bank Balances</b>		
Cash	162,554.00	187,690.00
Dena Bank Raipur.	218.95	15,343.95
	<b>162,772.95</b>	<b>203,033.95</b>



M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.  
Schedules for the year ended on 31-03-2007

PARTICULARS	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<b>Schedule No. - H</b>		
<b>Inventories</b>		
Rice Bran	1,183,942.00	560,920.00
R.B. Crude Oil	10,161,795.00	4,283,635.00
De Oiled Cake	1,138,150.00	1,243,606.00
	<b>12,483,887.00</b>	<b>6,088,161.00</b>
<b>Schedule No. - I</b>		
<b>Sundry Debtors</b>		
Debtors Outstanding for period of more than Six months	4,504,183.20	4,479,958.20
Debtors Outstanding for period of Less than Six months	2,893,749.00	5,694,914.00
	<b>7,397,932.20</b>	<b>10,174,872.20</b>
<b>Schedule No. - J</b>		
<b>Security Deposit</b>		
Security Deposits(Cseb)	595,330.34	571,199.00
	<b>595,330.34</b>	<b>571,199.00</b>
<b>Schedule No. - K</b>		
<b>Advances To Suppliers</b>		
Adishwar Rice Mill Mahasmund.	-	450.00
Amar Parboling Inds, Rajim	-	15,356.00
Bhagwati Inds, Raipur	-	155.00
Bharat Petroleum Corp. Ltd., Ryp	36,294.00	-
Parag Traders, Rajim	-	1,021.00
Sachdev Food Product Raipur.	1,192.00	1,192.00
S.M.Sharma	5,486.00	290.00
Sanjay Comercial, Hyderabad	-	633.00
Vijay Rice Mill Rajim.	1,113,991.00	814,298.00
Shree Shyamji Rice Mill Rajim	7,965.00	-
	<b>1,164,928.00</b>	<b>833,395.00</b>
<b>Schedule No. - L</b>		
<b>Other Current Assets</b>		
Prepaid Expenses	77,154.00	86,795.00
Tax Deducted At Source	296,940.00	541,524.00
Excise Duty	-	2,120.00
	<b>374,094.00</b>	<b>630,439.00</b>



M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.  
Schedules for the year ended on 31-03-2007

PARTICULARS	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<b>Schedule No. - M</b>		
<b>Loans &amp; Advances</b>		
Anand Vatika, Raipur	-	926,000.00
Anurag Overseas, Raipur	-	11,500,000.00
Khandelwal Rice Mills, Raipur	-	333,839.00
Prakash Chand Raheja, Raipur	-	378,000.00
Sanjay Raheja, Raipur	-	803,000.00
S.P. Buildcom Pvt. Ltd, Raipur	-	2,000,000.00
Vijayshree Fats & Oil Prod. Pvt. Ltd., Abhanpur	-	5,408,881.00
Vijay Trade & Finance, Raipur	-	917,487.00
Other Misc. Advances	9,700.00	96,402.00
Shreyas Securities (P) Ltd	225,000.00	225,000.00
Om Plaza Raipur.	2,500,000.00	-
S. M. Consultancy Pvt. Ltd.	12,000,000.00	-
Bagadiya Bros (P)Ltd Raipur	6,086,872.00	28,872,960.00
	<b>20,821,572.00</b>	<b>51,461,569.00</b>

**Schedule No. - N**

**Current Liabilities & Provisions**

Advances From Customers	9963803.00	2007442.00
Sundry Creditors For Expenses	1048697.00	1285501.00
Sundry Creditors For Goods	14895801.00	19795733.00
Vat Tax Payable	269,620.00	254,512.00
Employees ESI Contribution	796.00	2,832.00
Employees PF Contribution	5,470.00	38,043.00
Income Tax Deducted At Source-Tds Payable	59,504.00	42,974.00
Provision For Fringe Benefit Tax	21,837.81	31,935.00
Provision For Income Tax	345,462.99	251,523.00
Out Standing Liabilities	311,323.00	329,116.00
Entry Tax Payable	-	30,576.00
Manjit Singh Chawala	-	500,000.00
R.K.Chandrakar & Co.	-	600,000.00
Arvind Kumar Shantilal	-	2,077,932.00
	<b>26,922,314.80</b>	<b>27,248,119.00</b>

**Schedule No. - O**

**Increase/(Decrease) in Stock**

**R.B. Crude Oil**

Closing Stock	10,161,795.00	4,283,635.00
Less : Opening Stock	4,283,635.00	6,040,175.00
Increase/(Decrease)	<b>5,878,160.00</b>	<b>(1,756,540.00)</b>

**De Oil Cake**

Closing Stock	1,138,150.00	1,243,606.00
Less : Opening Stock	1,243,606.00	2,281,167.00
Increase/(Decrease)	<b>(105,456.00)</b>	<b>(1,037,561.00)</b>

	<b>5,772,704.00</b>	<b>(2,794,101.00)</b>
--	---------------------	-----------------------



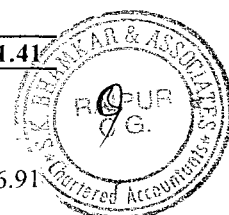
**M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.**  
Schedules for the year ended on 31-03-2007

<b>PARTICULARS</b>	<b>CURRENT YEAR AMOUNT (RS.)</b>	<b>PREVIOUS YEAR AMOUNT (RS.)</b>
<b>Schedule No. - P</b>		
<b>Other Income</b>		
Commissiom Recd.	7,500.00	22,500.00
Interest Received	1,297,591.00	949,431.00
Interest On Security Deposits	25,670.34	-
Interest On IT Refunds	23,247.00	-
Sundry Balance W/Off	-	512.00
Excess Provision Of Income Tax	8,046.00	
	<b>1,362,054.34</b>	<b>972,443.00</b>
<b>Schedule No. - Q</b>		
<b>Purchases</b>		
Haller Bran	6,697,783.00	3,150,216.00
Dorb	-	99,680.00
	<b>6,697,783.00</b>	<b>3,249,896.00</b>
<b>Schedule No. - R</b>		
<b>Raw Material Consumed</b>		
<b>Rice Bran</b>		
Opening Stock	560,920.00	128,000.00
	47,639,916.00	47,266,460.00
Less : Closing Stock	1,183,942.00	560,920.00
	<b>47,016,894.00</b>	<b>46,833,540.00</b>
<b>Schedule No. - S</b>		
<b>Direct Expenses</b>		
Carriage Inward	142,295.00	438,020.00
Packing Material	303,743.00	576,003.00
Labour Charges	173,365.00	182,911.00
Entry Tax	21,535.00	81,267.00
Electricity Charges	2,694,632.00	2,828,565.00
Coal Purchase	1,051,828.00	2,005,639.00
Consumable & Stores	107,305.00	245,993.00
Factory Salary	365,037.00	384,819.00
Hexane	2,840,440.00	3,825,164.00
Husk Purchases	114,305.00	110,813.00
Truck Running & Maintenance	302,042.00	354,400.00
	<b>8,116,527.00</b>	<b>11,033,594.00</b>



**M/S SHREE RAJIV LOCHAN OIL EXTRACTION LTD.**  
Schedules for the year ended on 31-03-2007

<b>PARTICULARS</b>	<b>CURRENT YEAR AMOUNT (RS.)</b>	<b>PREVIOUS YEAR AMOUNT-(RS.)</b>
<b>Schedule No. - T</b>		
<b>Administrative Expenses</b>		
Administrative Exp(Pf)	9,996.00	7,877.00
Audit Fee	20,000.00	20,000.00
Bank Charges	57,458.83	16,732.00
Carriage Outward	61,861.00	62,735.00
Commission & Brokerage Exp.	156,284.00	160,183.00
Computer Repairs	5,677.00	-
Consignment Sales Expenses	-	1,643,474.00
Conveyance Exp.	44,100.00	63,985.00
Employers ESI Contribution	19,630.00	19,680.00
Employers PF Contribution	54,138.00	59,078.00
Factory Building Repairs	7,780.00	-
Insurance Exp	156,291.00	200,863.00
Interest On Bank	55,932.00	33,927.87
Interest To Others	13,986.43	-
Internal Audit Fee	12,000.00	12,000.00
Listing Fee(Stock Exchange)	10,000.00	10,000.00
Damage Charges	75,000.00	-
Miscellaneous Exp.	7,700.00	8,960.00
Office Expenses	76,582.00	86,344.00
Office Salary	95,049.00	125,500.00
Postage & Telegrams	23,749.00	20,570.00
Printing & Stationery	27,187.00	35,582.00
Professional Fees	38,336.00	26,500.00
Professional Tax	2,500.00	-
Rebate & Discount	-	31,744.00
Rent Rate Taxes	127,433.00	115,138.00
Repairs To Plant & Machinery	1,473,856.00	1,555,061.00
Sales Tax	-	308,856.00
Service Tax	-	8,700.00
Short Provision Of Fbt	1,346.00	6,906.00
Excise duty written off	2,120.00	-
Sundry Balance Written Off	104.00	-
Telephone Charges	114,004.00	180,461.00
Testing & Analysis Expenses	50,288.00	77,060.00
Vehicle Expenses	37,349.00	104,381.00
Weighment Charges	-	2,700.00
Oil & Refinery Charges	1,588,365.00	-
	<b>4,426,102.26</b>	<b>5,004,997.87</b>
<b>Schedule No. - U</b>		
<b>Managerial Remuneration</b>		
Directors Remuneration	96,000.00	120,000.00
	<b>96,000.00</b>	<b>120,000.00</b>
<b>Schedule No. - V</b>		
<b>Depreciation</b>		
Depreciation	710,423.23	784,111.41
	<b>710,423.23</b>	<b>784,111.41</b>
<b>Schedule No. - W</b>		
<b>Cost of Borrowing</b>		
Financial Charges	1,233,075.00	295,206.91
	<b>1,233,075.00</b>	<b>295,206.91</b>



**M/s SHREE RAJIVLOCHAN OIL EXTRACTION LTD., RAIPUR**  
**SCHEDULE – “X”**  
**NOTES ON ACCOUNTS**

**Forming part of the accounts for the year ended 31st March 2007**

SIGNIFICANT ACCOUNTING POLICIES adopted by the company in the preparation and presentation of the Accounts: -

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a) The Financial statement have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provision of the Companies Act, 1956 as adopted consistently by the company.
- b) The Company generally follows mercantile system of accounting and recognizes significant items of Income and expenditure on accrual basis.

**B. FIXED ASSETS AND DEPRECIATION**

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, For this cost includes all expenses related to acquisition and installation of the concerned assets.
- b) Depreciation on fixed assets has been provided on written down value in accordance with the rates specified in schedule XIV to the companies Act, 1956.

**C. INVENTORIES**

- 1.. The closing stock has been valued as under
  - a) Finished Stock at market value
  - b) Raw material at cost
  - c) By-product at market value

**D. INVESTMENTS**

Investments are classified as long-term investments. Long-term investments are carried at cost. No provision is made in respect of diminution on value of investment being not considered permanent in nature.

**E. EMPLOYEE RETIREMENT BENEFITS**

Contributions to Provident fund/Employee state insurance schemes made to appropriate authorities are being accounted for on accrual basis. Other retirement benefits are being accounted for on actual payment basis. Hence no provision has been made for future gratuity liabilities under provisions of payments of gratuity act, 1972 nor the same has been quantified on the basis of actual valuation. Likewise leave encashment liability has neither been quantified nor provided



## F. REVENUE RECOGNITION

Revenue on account of sales are recognised when goods are supplied and are recorded net of returns. Interest income is recognised on a time proportion basis.

## G. DEFERRED TAX

Current tax is the amount of tax on the accounting income for the year determined in accordance with the normal provision of Income tax Act, 1961.

Provision has been made for income tax in view of profits after considering depreciation calculated as per Income tax act, 1961.

Deferred tax assets resulting from timing differences between book and taxable profit is accounted for using the current rate of tax to the extent that the timing differences are expected to crystalize.

## NOTES TO ACCOUNTS

### 1) VALUATION AND CONSUMPTION OF RAW MATERIAL & FINISHED GOODS

Valuation and consumption of raw material and stock has been taken as valued and certified by the management.

### 2) SUNDRY DEBTORS

Sundry debtors include amounts due from companies under the same management as under:

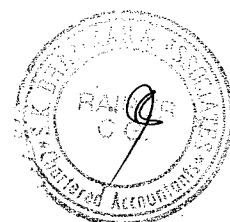
	For the year 31/03/2007	For the year 31/03/2006
a) Vijay Shree Fats & Oil Pvt. Ltd.	80,06,722.00	45,71,424.00

#### Sundry debtors outstanding more than six month

The Debtors Outstanding for more than six months is Rs.4504183.20/- against these the company has filed Recovery suit for rs.2893749.00/-. For Recovery of balance amount, management explained that they have issued remainders and legal notices.

### 3) Computation of profits under section 349 of the Companies Act, 1956

	(Rs. in lacs)	
	2006-07	2005-06
Profit for the year as per P&L A/c	2.72	0.22
Add: Depreciation as per Accounts	7.10	7.84
Managerial Remuneration	0.96	1.20
Provision for Tax (Including FBT)	3.66	2.83





Less: Depreciation U/s 350 of the Companies Act, 1956	7.10	7.84
---	------	------

Net profit as per section 349 of the Companies Act, 1956	<u>7.44</u>	<u>4.25</u>
	=====	=====

**Managerial Remuneration:**

	<u>2006-07</u>	<u>2005-06</u>
Salary	0.96	1.20
Contribution to provident funds	Nil	Nil

Total	<u>0.96</u>	<u>1.20</u>
	=====	=====

4) Licensed and Installed Capacity	<u>2007</u>	<u>2006</u>
	<u>In M.T.</u>	<u>In M.T.</u>
1) <u>Installed Capacity</u>	30,000.00	30,000.00

2. Raw Material Consumed

a. Indigenous		
Rice Bran	8899.267	10583.33
b. Imported		
c. Raw Material Sales	684.60	808.85

3. Stores and Tools Consumed

a. Imported	Nil	Nil
b. Indigenous	107305.00	245993/-

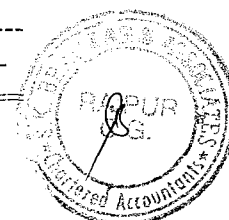
4. Production Sales and Stocks

<u>a. Production</u>		
Crude Oil	976.055	1201.30
De oiled Cake	7923.212	9379.035
<u>b. Sales</u>		
Crude Oil	492.04	1274.29
De oiled Cake	8218.47	10154.635
<u>c. Closing Stock</u>	M.T.	M.T.
Crude Oil	290.337	186.245
De oiled cake	326.545	621.803

5) **Auditor's Remuneration**

	<u>2006-07</u>	<u>2005-06</u>
As Auditor	15000/-	15000/-
Reimbursement of out of Pocket Exp.	5000/-	5000/-

Total:	<u>20000/-</u>	<u>20000/-</u>
	=====	=====



6) **Taxation**

i) Provision for Income tax has been made as per the normal provision of Income tax act, 1961 after due consideration of unabsorbed depreciation.

ii) **Deferred Taxation:**

	As on 31/03/2007	During 2006-2007	As on 31/03/2006
Deferred tax liabilities/(Assets)	129206.29	132506.00	261712.29

7) Balance under secured & unsecured loans, sundry debtors, cash and bank balances, advances and deposits current liabilities and provisions, sundry creditors and other credit balances etc. subject to confirmation and reconciliation if any.

8) Mercantile system of accounting is employed by the company except otherwise specifically stated. However where the amount is immaterial/ negligible and/or where the establishment of accrual and/or determination of amount is not possible, no provisions has been made.

9) As informed by management there is neither exist any geographical segment for the company nor it is possible to identify any product has business segment, as there exist only one product.

10) In the opinion of management the current assets loans and advances are approximately of the value stated if realised in the ordinary courses of business and provision for all known liabilities are adequate and not in excess of amount reasonably necessary.

11) Previous year figures have been regrouped/rearranged wherever considered necessary.

12) **Related Party Disclosure:**

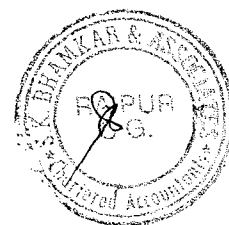
**1) List of Related Parties:**

a) Enterprises over which key management personnel exercise Significant influence.  
M/s Vijayshree Fats & Oil Products Pvt. Ltd, Abhanpur, Raipur (C.G)  
M/s Vijay Rice Mills, Rajim (C.G.)  
Om Plaza.

**b) Key Management Personnel & Relatives:**

Shri Prakash Chand Raheja  
Shri Sunil Raheja  
Shri Deepak Raheja  
Shri Sanjay Raheja

Managing Director  
Relative of Managing Director  
Son of Managing Director  
Son of M.D And Director of The  
Company



**Transaction with Related Parties:**

Particular	Year	12(1)(a) above	12(1)(b) above	Total
1) Sales of Goods	2006-07	80.06	-	80.06
	2005-06	-	-	-
2) Mangerial Remuneration	2006-07	-	0.96	0.96
	2005-06	-	1.20	1.20
3) Interest Received	2006-07	-	-	-
	2005-06	-	-	-

**13) Earning Per Share**

	(Rs. In lacs)	
	31/03/2007	31/03/2006
a) Net Profit/(loss) after tax available for Equity Share Holder	2.72	(1.22)
b) Weighted Average No. of Equity Share	30.15	30.02
c) Nominal Value of Equity Share	10.00	10.00
d) Basic/Diluted Earning/Share	0.09	0.00

13) Additional information pursuant to the provision to paragraph 3,4, and 4d of part II of the schedule VI of the Companies Act, 1956 to the extent applicable are as under. (As certified by the director).

**Balance Sheet Abstract and Company Business Profile**  
**Schedule VI Part IV to the companies Act, 1956.**

**1) Registration Details:**

Registration No.	05981
State Code	10
Balance Sheet Date	31/03/2007

**2) Capital Raised during the year**

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**3) Position of Mobilisation and Development of Funds (in lacs)**

Total Liabilities	285.38
Total Assets	603.74



**Sources of Funds**

Paid up Capital	301.50
Reserve & Surplus (Cap. Subsidy)	15.00
Secured Loans	14.87
Unsecured Loans	-
Deferred tax Liability	1.29

**Application of Funds**

Net Fixed Assets	40.76
Investment	132.98
Net Current Assets	160.78
Misc. Expenditure	NIL

**2) Performance of the Company**

Turnover	616.69
Total Expenditure	682.96
Profits/(Loss) Before Tax	5.07
Profits/(Loss) After Tax	2.72
Earning per share (Rs.)	0.09
Dividend	NIL

**5) Generic Names of the Principal Product/Services of the Co.**

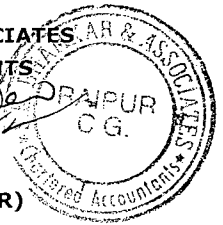
Product Description

Extraction of Oil

FOR AND BEHALF OF THE BOARD .

FOR, S.K.BHAMKAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
MANAGING DIRECTOR  
DIRECTOR  
DIRECTOR  
(SANTOSH BHAMKAR)  
PROPRIETOR

MEMBERSHIP NO. 076457

PLACE: RAIPUR  
Date: 07.08.2007