



**RAJ OIL MILLS LTD.**

———— Purity. Since 1943. ————

**Eleventh Annual Report**

**2012 - 2013**

## Chairman and Managing Director

Shaukat S. Tharadra

## Executive Directors

Azamkhan F. Lohani

Abdulla K. Musla

Rashid I. Tharadra

## Non-Executive Directors

Mohammedi T. Singaporewala

Narotambhai V. Patel

R. H. Balasubramanya

Dipakkumar Madia

## Auditors

### Statutory

M/s. B. M. Gattani & Co

Chartered Accountants

## Bankers

The Shamrao Vithal Co. Op. Bank Ltd.

Karur Vysya Bank Limited

## Plant Locations

- 1) Manor, Dist. Thane  
Ten Village, (Manor), Tal. Palghar  
Maharashtra - 401104
- 2) Bagru, Dist. Jaipur  
F-9 /10, RIICO Industrial Area of Bagru,  
Extn-Phase II, Jaipur,  
Rajasthan

## Registered Office

224-230, Bellasis Road

Mumbai- 400008

## Registrar and Transfer Agents

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate

Sakivihar Road, Saki Naka,

Andheri (East), Mumbai - 400072

## Committees of the Board

### Audit Committee

Name of the Director	Status
Mr. Dipakkumar R. Madia	Chairman (Independent Director)
Mr. Narotambhai V. Patel	Independent Director
Mr. Abdulla K. Musla	Whole Time Director

### Remuneration Committee

Name of the Director	Status
Mr. Mohammedi T. Singaporewala	Chairman (Independent Director)
Mr. Narotambhai V. Patel	Independent Director
Mr. Abdulla K. Musla	Whole Time Director

### Shareholders'/ Investors' Grievance Committee

Name of the Director	Status
Mr. Mohammedi T. Singaporewala	Chairman (Independent Director)
Mr. Narotambhai V. Patel	Independent Director
Mr. Abdulla K. Musla	Whole Time Director

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## CHAIRMAN'S SPEECH

Dear Shareholders,

The financial year 2012-13 has been the most challenging period of twelve months that I have encountered during my association with the RAJ brand since 1966. The performance of Raj Oil Mills Limited, the Company to whom the brand was assigned in 2007, has hit a rough patch on the operational as well as financial front. A number of external factors, global as well as national, and internal factors have influenced this operational and financial downturn of the Company.

In the year that went by, there was a significant increase in global production of edible oil, more particularly in South East Asian countries of Indonesia and Malaysia. However, the global demand for the product remained stagnant which resulted in declining of edible oil prices across the world. This over production also meant higher level of inventory in these countries which prompted them to export these excessive quantities to demanding countries like India at cheaper rates.

India, which imports about 60% of edible oil consumed during a particular year, experienced a steady import of edible oil from these countries. In furtherance to this global impact of excessive production, the Government of India issued policies in favour of direct import of refined oil over crude oil. Both these factors resulted in turning the tide in favour of traders and packers as against the manufacturers involved in the edible oil industry. The traders and packers, who import edible oil, now influence the pricing mechanism of this industry in a manner never seen before. The weakening of the rupee and a subsequent increase in the cost of imported edible oil has had a little impact on the influence exerted by this class of traders.

This voluminous flow of imports in the market at a cheaper price has ensured that manufacturers like your Company have not been able to pass on the increase in production cost to its customers by increasing the price of its products. These developments have impacted the Company's liquidity position through higher quantities of inventory remaining unsold. The working capital cycle of the Company has taken a tremendous hit and the management of the Company is trying its best to come out of this crisis sooner than later.

As a Chairman and Promoter of this Company, I assure to all stake holders that the Management will take all the necessary steps to safeguard the interest of all concerned. To mitigate the risk presented by the current macro environment and to improve the operational efficiency of the Company with an aim to reduce the price, the management has already started implementing a restructuring plan with an emphasis on changing the operational model of the Company and aligning the same with the current market practices.

Also, owing to the tough financial conditions faced by the Company, the Board of Directors of the Company have upheld the decision of remuneration committee of not paying any remuneration to the Whole-Time Directors of the Company till the financial condition of the Company improves.

As a person who has nurtured this brand for more than half a century, I assure all the stakeholders as well as the consumers of our products, that the changes in the operational model of the Company to overcome this down turn will not come at a cost of quality. The pureness of this brand is at the heart of success and growth story as well as longevity enjoyed by this brand since 1943.

I assure all the stakeholders that the management is doing whatever it can to overcome this downturn. I know that the Company will be on the growth path once again.

I thank the shareholders who have reposed faith in Raj Oil Mills Ltd. You have always stood by us in all our endeavors and I on behalf of the board individually and severally acknowledge your support. With 60% imports, the edible oil industry has capacities for good growth and Raj Oil Mills Ltd envisages the same.

A long standing brand has to be enriched and a legacy to be built upon and taken strongly forward.

With the best wishes of all associated with us I see us achieving the expectations from the customers and the industry as a long term player in the times to come. I apologize for grievances, caused due to delay in sharing of information, if any. At this stage, all I ask is not for a lighter burden but broader shoulders.

Thanking You.

**Shaukat S. Tharadra**

Chairman & Managing Director

## Raj Oil Mills Limited

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**NOTICE** is hereby given that the Eleventh Annual General Meeting of the Members of **Raj Oil Mills Limited** will be held at 'Ball Room', Hotel Balwas International, 265, E, Belasis Road, Opp. BEST Bus Depot, Mumbai Central, Mumbai - 400 008 on Monday, December 30, 2013 at 4.00 p.m. to transact the following business:

### ORDINARY BUSINESS

(1) To consider and adopt the Audited Profit and Loss Account, Cash Flow Statement for the year ended 31st March 2013, Balance Sheet as on date along with Auditors' Report, Directors' Report, Management Discussion and Analysis and Corporate Governance Report thereon.

(2) To appoint Mr. Shaukat Tharadra, as Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

(3) To appoint Mr. Azamkhan Lohani as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.

(4) To consider & if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 224, and other applicable provisions, if any, of the Companies Act, 1956, M/s. B. M. Gattani & Co., Chartered Accountants, Mumbai, having Registration No. 113536W, issued by the Institute of Chartered Accountants of India, be and are hereby appointed as statutory auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out of pocket expenses."

### SPECIAL BUSINESS

(5) To consider & if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** the shareholders of the Company hereby ratifies the resolution passed at the Tenth Annual General Meeting for allotting 2,00,00,000 warrants to be converted into equity shares of the Company."

**"RESOLVED FURTHER THAT** the shareholders understands that the allotment of 2,00,00,000 warrants convertible into equity shares of the Company is to be made to the Non – Promoters (Person Acting in concert)."

(6) To consider & if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable

provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required, approval of the Company be and is hereby accorded for the reappointment of Mr. Shaukat Tharadra as Managing Director of the Company for a period of three years commencing with effect from October 1, 2013 without any remuneration and on other terms and conditions, as mentioned in the explanatory statement to this resolution annexed herewith".

(7) To consider & if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required, approval of the Company be and is hereby accorded for the reappointment of Mr. Abdulla K. Musla as Whole Time Director of the Company for a period of three years commencing with effect from January 1, 2014 without any remuneration and on other terms and conditions, as mentioned in the explanatory statement to this resolution annexed herewith".

(8) To consider & if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required, approval of the Company be and is hereby accorded for the reappointment of Mr. Rashid Tharadra as Whole Time Director of the Company for a period of three years commencing with effect from October 1, 2013 without any remuneration and on other terms and conditions, as mentioned in the explanatory statement to this resolution annexed herewith".

(9) To consider & if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required, approval of the Company be and is hereby accorded for the reappointment of Mr. Azamkhan Lohani as Whole Time Director of the Company for a period of three years commencing with effect from October 1, 2013 without any remuneration and on other terms and conditions, as mentioned in the explanatory statement to this resolution annexed herewith".

By Order of the Board of Directors  
For Raj Oil Mills Limited

Date: December 2, 2013  
Place: Mumbai

Shaukat Tharadra  
Chairman & Managing Director

## NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
  - (2) An Explanatory Statements pursuant to provisions of Section 102 of the Companies Act, 2013 (Corresponding to Section 173 of the Companies, 1956) related to Special Business to be transacted at the meeting is annexed hereto.
  - (3) The Register of Members and Share Transfer Books of the Company will remain closed from, Thursday December 19, 2013 to Friday, December 27, 2013 (both days inclusive) for the purpose of Annual General Meeting.
  - (4) Members who attend the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting Hall.
  - (5) Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting.
  - (6) Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and Transfer Agent, M/s. Big share Services Private Limited details of such folio together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s. after making requisite changes thereon
  - (7) Non-resident Indian Shareholders are requested to inform the Company immediately:
    - a. Change in residential status on return to India for permanent settlement.
    - b. Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.
    - c. Copy of Reserve Bank of India permission.
  - (8) Consequent upon the introduction of Section 109A of the Companies Act, 1956 Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination in respect of shares held by them in physical form are requested to send the necessary particulars in Form 2B (available on request) to the Company's Registrar and Transfer Agent, M/s. Big share Services Private Limited
  - (9) Appointment / Re-Appointment of Directors at the ensuing Annual General Meeting:
    - (i) Mr. Shaukat Tharadra and Mr. Azamkhan Lohani, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.
    - (ii) Re- appointment of Mr. Shaukat Tharadra as Managing Director of the Company
    - (iii) Re- appointment of Mr. Abdulla Musla, Mr. Rashid Tharadra and Mr. Azamkhan Lohani as Whole Time Directors of the Company.
- The details pertaining to these Directors required to be provided pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are furnished subsequently in this Notice.
- (10) (a) Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.
    - (b) Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID number, to their respective Depository Participants.
  - (11) Members may avail dematerialization facility by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialized. The ISIN No. of the Company is INE294G01018.
  - (12) Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office atleast 7 days before the date of the meeting, so that the required information can be made available at the meeting.
  - (13) Members, who have not registered their e-mail addresses, are requested to register their e-mail address, in respect of electronic holdings with the depository through their concerned Depository Participants and members who hold shares in physical form are requested to send their details in the prescribed form which is available on the website of the Company to Big share Services Pvt. Ltd (Registrar & Transfer agent) in order to enable the Company to serve the Notice/Documents including Annual Report through e-mail, as an initiative in consonance with circular issued by Ministry of Corporate Affairs allowing paperless compliances by the Companies.
  - (14) Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
  - (15) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent i.e. Bigshare Services Pvt. Ltd.

**By Order of the Board of Directors  
For Raj Oil Mills Limited**

**Date:** December 2, 2013  
**Place:** Mumbai

**Shaukat Tharadra**  
Chairman & Managing Director



**EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (CORRESPONDING TO SECTION 173 OF THE COMPANIES ACT, 1956) SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE:**

**Item no. 5:**

The Company had issued 2,00,00,000 warrants convertible into equity shares of the Company to Mr. Abdulla K. Musla and Mr. Rashid I. Tharadra, Non – Promoter Directors of the Company, as per the terms of Special Resolution passed by the Members of the Company at the previous Annual General Meeting held on September 27, 2012. The Company has obtained In- Principle approval from BSE Limited and the National Stock Exchange of India Limited for allotment of the aforementioned warrants.

However, BSE Limited has given its In-Principle approval subject to the ratification by the shareholders at the ensuing annual general meeting of the Company stating that the warrants convertible into equity shares are being proposed to be allotted to Non – Promoter Directors of the Company. Therefore, the Board of Directors of the Company recommends passing of the Special Resolution as Item no. 5 of the Notice.

A copy each of the In-Principle approval granted by BSE Limited and National Stock Exchange of India Limited are available for inspection by members at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto December 30, 2013.

Mr. Abdulla K. Musla and Mr. Rashid I. Tharadra, Directors and Key Managerial Personnel of the Company, including their relatives, may be deemed to be interested in the Resolution at Item No. 5 of the Notice. Save as aforesaid, none of the Directors and Key Managerial Personnel, of the Company, including their relatives, is, in any way, concerned or interested in the said resolution.

**Item No. 6**

The members of Raj Oil Mills Limited, at their Annual General Meeting held on September 30, 2010 had re - appointed Mr. Shaukat S. Tharadra as Managing Director of the Company for a period of three years with effect from October 1, 2010. The tenure of Mr. Shaukat S. Tharadra as Managing Director of the Company expired on September 30, 2013.

The Board of Directors of the Company, at their meeting held on September 4, 2013, re-appointed Mr. Shaukat S. Tharadra as Managing Director of the Company for a period of three years commencing with effect from October 1, 2013.

The Company is not paying any remuneration to Mr. Shaukat Tharadra, Managing Director for his tenure of three years commencing with effect from October 1, 2013.

Further, Mr. Shaukat S. Tharadra shall not be paid any sitting fees to attend Board Meetings/ Committee Meetings of the Directors.

The Board of Directors of the Company recommends passing of the Special Resolution as Item no. 6 of the Notice.

A copy of the resolution passed by the Remuneration Committee and the Board of Directors of the Company at their

respective meetings held on September 4, 2013 are available for inspection by members at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto December 30, 2013.

Mr. Shaukat Tharadra, including his relatives, may be deemed to be interested in the Resolution at Item No. 6 of the Notice. Save as aforesaid, none of the Directors and Key Managerial Personnel, of the Company, including their relatives, is, in any way, concerned or interested in the said resolution.

This may also be treated as Abstract of Arrangement and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

**Item No. 7**

The Members of Raj Oil Mills Limited, at their Annual General Meeting held on September 30, 2010 had re- appointed Mr. Abdulla K Musla as Whole Time Director of the Company for a period of three years with effect from January 1, 2011. The tenure of Mr. Abdulla K Musla as Whole Time Director of the Company expires on December 31, 2013..

The Board of Directors of the Company, at their meeting held on September 4, 2013, re-appointed Mr. Abdulla K. Musla as Whole Time Director of the Company for a period of three years commencing with effect from January 1, 2014.

The Company is not paying any remuneration to Mr. Abdulla K Musla, Whole Time Director for his tenure of three years commencing with effect from January 1, 2014.

Further, Mr. Abdulla K Musla shall not be paid any sitting fees to attend Board Meetings/ Committee Meetings of the Directors.

The Board of Directors of the Company recommends passing of the Special Resolution as Item no. 7 of the Notice.

A copy each of the resolution passed by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on September 4, 2013 are available for inspection by members at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto December 30, 2013.

Mr. Abdulla K. Musla, including his relatives, may be deemed to be interested in the Resolution at Item No. 7 of the Notice. Save as aforesaid, none of the Directors and Key Managerial Personnel, of the Company, including their relatives, is, in any way, concerned or interested in the said resolution.

**Item No. 8**

The Members of Raj Oil Mills Limited, at their Annual General Meeting held on September 30, 2010 had appointed Mr. Rashid I. Tharadra as Whole Time Director of the Company for a period of three years with effect from October 1, 2010. The tenure of Mr. Rashid I. Tharadra as Whole Time Director of the Company expired on September 30, 2013.

The Board of Directors of the Company, at their meeting held on September 4, 2013, re-appointed Mr. Rashid I. Tharadra as Whole Time Director of the Company for a period of three years commencing with effect from October 1, 2013.

The Company is not paying any remuneration to Mr. Rashid I. Tharadra, Whole Time Director for his tenure of three years commencing with effect from October 1, 2013.

Further, Mr. Rashid I. Tharadra shall not be paid any sitting fees to attend Board Meetings/ Committee Meetings of the Directors.

The Board of Directors of the Company recommends passing of the Special Resolution as Item no. 8 of the Notice.

A copy each of the resolution passed by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on September 4, 2013 are available for inspection by members at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto December 30, 2013.

Mr. Rashid I. Tharadra, including his relatives, may be deemed to be interested in the Resolution at Item No. 8 of the Notice. Save as aforesaid, none of the Directors and Key Managerial Personnel, of the Company, including their relatives, is, in any way, concerned or interested in the said resolution.

This may also be treated as Abstract of Arrangement and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

**Item No. 9**

The Members of Raj Oil Mills Limited, at their Annual General Meeting held on September 30, 2010 had appointed Mr. Azamkhan Lohani as Whole Time Director of the Company

for a period of three years with effect from October 1, 2010. The tenure of Mr. Azamkhan Lohani, as Whole Time Director of the Company expired on September 30, 2013.

The Board of Directors of the Company, at their meeting held on September 4, 2013, re-appointed Mr. Azamkhan Lohani as Whole Time Director of the Company for a period of three years commencing with effect from October 1, 2013.

The Company is not paying any remuneration to Mr. Azamkhan Lohani, Whole Time Director for his tenure of three years commencing with effect from October 1, 2013.

Further, Mr. Azamkhan F. Lohani shall not be paid any sitting fees to attend Board Meetings/ Committee Meetings of the Directors.

The Board of Directors of the Company recommends passing of the Special Resolution as Item no. 9 of the Notice.

A copy each of the resolution passed by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on September 4, 2013 are available for inspection by members at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto December 30, 2013.

Mr. Azamkhan F. Lohani, including his relatives, may be deemed to be interested in the Resolution at Item No. 9 of the Notice. Save as aforesaid, none of the Directors and Key Managerial Personnel, of the Company, including their relatives, is, in any way, concerned or interested in the said resolution.

This may also be treated as Abstract of Arrangement and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

**By Order of the Board of Directors  
For Raj Oil Mills Limited**

**Date:** December 2, 2013  
**Place:** Mumbai

**Shaukat Tharadra**  
Chairman & Managing Director

## Raj Oil Mills Limited

Details of Director seeking appointment / re-appointment at the Annual General Meeting (pursuant to clause 49 of the listing agreement) as on December 2, 2013:

<b>Name of the Director</b>	Mr. Shaukat Tharadra	Mr. Abdulla Musla	Mr. Rashid Tharadra	Mr. Azamkhan Lohani
<b>DIN</b>	01598234	01211224	02060609	01211179
<b>Date of Birth</b>	July 11, 1945	December 1, 1959	March 10, 1961	April 3, 1949
<b>Nationality</b>	Indian	Indian	Indian	Indian
<b>Date of Appointment on the Board</b>	17/10/2001	01/09/2002	17/10/2001	17/10/2001
<b>Relationship with other Director</b>	–	–	–	–
<b>Qualifications</b>	Bachelor of Science	Secondary School Education	Secondary School Education	Secondary School Education
<b>Experience and expertise in specific functional area</b>	Strategic Management	Finance	Production	General Administration
<b>Shareholding in Raj Oil Mills Limited</b>	29,66,135	1,01,488	70,000	Nil
<b>List of Directorship held in other companies</b>	–	–	–	–
<b>Chairman / Member of the committees of the Board of other Companies in which he is a Director</b>	–	–	–	–



## DIRECTORS' REPORT

To The Members,

### RAJ OIL MILLS LIMITED

We are pleased to present the Eleventh Annual Report together with the audited statements of accounts of the Company for the financial year ended March 31, 2013.

### FINANCIAL RESULTS

The financial performance of the Company for the Financial Year ended March 31, 2013 is summarized below:

	<b>(Rs. in Lakhs except EPS)</b>	
	<b>Financial Year Ended March 31, 2013</b>	<b>Financial Year Ended March 31, 2012</b>
Total Income	<b>12848.40</b>	34240.66
Profit before		
Depreciation and Tax	<b>(1353.16)</b>	(575.21)
Less : Depreciation	<b>443.64</b>	416.03
Net Profit before Tax	<b>(1796.80)</b>	(991.24)
Less : Provision		
Less : for Current Tax	—	—
Net Profit before Deferred Tax	<b>(1796.80)</b>	(991.24)
Less/(Add): Deferred Tax	<b>275.63</b>	190.14
Net Profit after Deferred Tax	<b>(2072.43)</b>	(1181.39)
Add : Balance b/f from		
Add : Previous Year	<b>9342.91</b>	10524.30
Total Profit available for Appropriation	<b>7270.48</b>	9342.92
<b>Appropriation</b>		
Issuance of Bonus Share	—	—
Balance carried to Balance Sheet	<b>7270.48</b>	9342.92
<b>Earning Per Share</b>		
– Basic	<b>(2.92)</b>	(3.28)
– Diluted	<b>(2.28)</b>	(3.28)

### OPERATIONS

During the year under the review, the Company's sales decreased from Rs. 341,38,74,552 to Rs. 127,39,09,989 on account of changing market conditions characterized by demand supply mismatch. In order to improve its operational performance and to revitalize its growth strategy, the Company has resorted to following measures during the year under review:

- Stocking of raw materials purchased at favourable prices
- Effective budgeting of productions plans
- Stringent alignment of production and procurement time with execution of sales orders
- Monitoring and if necessary, reduction of least profitable stockiest
- Focus on Sales Regions with higher returns
- Targets to cost centres for effective cost reduction.

### SHARE CAPITAL

At present, the Company has only one class of shares, viz. Equity Shares of Rs.10 each.

### ALLOTMENT DURING THE YEAR

During the period under review the Company has allotted 3,50,00,000 Equity Shares underlying 7,00,000 GDR's for

which the Company has received Listing and Trading approval from the Stock Exchanges where the securities of the Company are listed.

### DIVIDEND

In view of current year loss, your Directors regret their inability to recommend any dividend for the financial year under review.

### FIXED DEPOSITS

During the year under review, the Company had defaulted in payment of principal and interest amount due to the deposit holders before the due date. In this regard the Company had also received notices from the Company law Board and the Registrar of Companies for which suitable representations and replies have been given.

During the current financial year the Company has not accepted any fresh deposits.

### INTERNAL CONTROL SYSTEM

The Company has adequate Internal Control Systems which ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. During the period under review, your Company re-appointed M/s. K. C. Jain Kala & Co., Chartered Accountants, as Internal Auditors of the Company.

### DIRECTORS

Mr. Shaukat Tharadra and Mr. Azamkhan Lohani, Directors of the Company, retire by rotation and being eligible to offer themselves for re-appointment at the ensuing Annual General Meeting.

The Board recommends to the members the resolution for appointment and re-appointment of the Directors mentioned above.

### CHIEF EXECUTIVE OFFICER

Mr. Manavendra Gokhale, Chief Executive Officer ("CEO") of the Company is no longer associated with the organization.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- (b) Appropriate accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March, 31, 2013 and loss of the Company for the year ended on that date.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities: and,
- (d) The annual accounts have been prepared on a going concern basis.

### EMPLOYEE STOCK OPTION PLAN (ESOP), 2011

The Board of Directors at their meeting held on 26th August, 2011, and the Shareholders at their meeting held on September 27, 2011 approved the Employee Stock Option Scheme titled as "ESOP 2011", granting stock options to the eligible employees of the Company. However the Company has so far not allotted any shares as part of ESOP 2011.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements as set out by SEBI.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from a Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance is attached to this Report.

### AUDITOR & AUDITORS' REPORT

You are requested to appoint Auditors for the current year and to authorize the Board to fix their remuneration. The retiring auditors, B. M. Gattani & Co, Chartered Accountants, are eligible for reappointment. A certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Observations made in the annexure to the Auditors' Report are self explanatory and therefore do not call for any further comments under the provisions of the Companies Act, 1956.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as follows:

#### (a) Conservation of Energy

Company makes evaluation on a continuous basis to explore new technologies and techniques to make the operations of crushing and filtration more energy efficient. This includes regular maintenance of machineries and regular check-up of energy consuming devices. Total energy consumption and energy consumption per unit of production is prescribed in Form A of Annexure I to this report.

#### (b) Research and Development

The Company has constantly carried out research and development on its own in coming up with new products and applications related with personal care, hair care and Ayurvedic products. Company has also made efforts in developing new packaging and new products to make its products duplicate proof and tamper proof, which has yielded good response from the customers.

#### (c) Technology absorption and Adaptation

Your Company has continuously adapted latest technology and best practices from the industry and efforts

will continue in future. Our addition to the planned CAPEX and alliances bring technical up gradation & inputs.

#### (d) Foreign Exchange Earning and Outgo:

The relevant information in respect of the foreign exchanges earnings and outgo for the year ended on 31st March, 2013 are as follows:

Foreign Exchange Earnings Rs. Nil (Previous Year: Rs. Nil)

Foreign Exchange Outgo Rs. 1.30 Cr (Previous Year: Rs. Nil)

### PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the Company has no employees who were in receipt of the remuneration of Rs. 60,00,000/- or more per annum during the financial year ended 31st March, 2013 or Rs. 5,00,000/- or more per month during any part of the said year.

### EMPLOYEE RELATIONS & HUMAN RESOURCES

Employee relations were cordial during the year and the Board would like to place on record its deep appreciation to all the employees of the Company for their dedicated services and performance in quantitative and qualitative parameters. The Company believes that its employees are a key differentiator, especially in FMCG sector and a competitive business environment.

### COMPANY SECRETARY

The Company is required to appoint a Company Secretary in Whole-time employment of the Company under section 383A(1) of the Companies Act, 1956. Ms. Yogini Chaukar, as Associate Company Secretary was appointed as the Company Secretary of the Company w.e.f. October 1, 2012, but due to some other personal commitments, she resigned from the post of Company Secretary on February 2, 2013. The Company is in the process of finalizing the suitable candidate holding a valid membership of the Institute of the Company Secretaries of India.

### COST AUDITOR

The Company is in the process of appointing a Cost Auditor holding a valid membership of the Institute of Cost & Works Accountant to conduct cost audit of the Company as specified under the Cost Audit Rules, 2011.

### ACKNOWLEDGEMENTS

We would like to express our deep sense of appreciation for the assistance and co-operation received from the our Bankers, Financial Institutions, Government Authorities, Stakeholders, Investors, Clients, Distributors, Vendors and Other Business Associates during the year under review.

We also take this opportunity to appreciate the contribution made by our Employees at all levels for their dedicated service made towards the growth of the Company. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors  
**For Raj Oil Mills Limited**

Place: Mumbai  
Date: December 2, 2013

**Shaukat S. Tharadra**  
Chairman & Managing Director

## ANNEXURE TO DIRECTORS' REPORT

## Annexure I

## FORM – A

## (A) Power and Fuel consumption in respect of

	Financial Year Ended March 31, 2013	Financial Year Ended March 31, 2012
<b>1 Electricity</b>		
<b>(a) Purchased</b>		
Units (KWH in lakhs)	3.90	6.16
Total Amount (Rs. in lakhs)	41.28	30.38
Rate per unit (Rs./ Unit)	10.58	4.92
<b>(b) Own generation Through Diesel Generator</b>		
Units (KWH in lakhs)	0.29	0.79
Total Amount (Rs. in lakhs)	4.15	10.81
Cost per unit (Rs. / Unit)	14.29	13.65
<b>2 Furnance Oil/LSHS/LDO/HSD</b>		
Qty. (K. Ltrs.)	32.07	28.45
Total Amount (Rs. in lakhs)	18.21	14.02
Average rate (Rs. / Ltrs.)	56.78	49.27

## (B) Consumption per unit of Production

It is not feasible to maintain product category wise, energy & fuel consumption data, since the Company manufacture/ pack a large range of products having different energy & fuel requirements.

**MANAGEMENT DISCUSSION AND ANALYSIS****Forward – Looking Statements:**

This Report contains Forward – Looking Statements. Any, statement that address expectations or projections about the future, including but not limited to statements about the Company’s strategy and growth, product development, market position, expenditures and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future growth. The Company cannot guarantee that these assumptions are accurate and will be realized. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on basis of any subsequent developments, information or events.

**Scenario of Global and Indian Edible Oil Industry:**

During the financial year 2012-13, the global production of edible oilseeds was around 470 million tonnes. This quantity was mainly dominated by production of soya oil seed production followed rap seed, sunflower, palm, kernel and others.

During the year under review, the global palm oil production increased by around 6.5% to 54,322 million tonne. This was primarily on account of increase in production of palm oil in Indonesian and Malaysia which contribute around tribute about 87.4% of global palm oil production. However, the increase production was not paralleled by increase in demand. This mismatch resulted in increased inventory and decrease in prices.

India is one of largest producers of oilseeds in the world along with China and the United States of America. The total area under cultivation with respect to oil seed is approximately around 27 million hectares which enable the production of 23-28 million tonnes of oil seeds every year depending on the monsoons.

The per capita consumption though grew by 8.1 per cent over the last five years up to FY12 .As the consumption of edible oil exceeds the domestic production, India imports around 60% of the edible oil it consumes. Palm oil contributes about 75% of the total imports. Palm oil, being the cheapest, constitutes the largest proportion (around 44%) of the oil consumed. Palm oil and soybean oil are among the most commonly consumed oils in India.

**Financial Management Practices and Reviews:**

In a highly competitive market characterized by low margins, the Company was unable to pass on the increase in cost of production to its customers by increasing the price of its products. Increase in inventory resulted in higher working capital cycle and lower operating cash flows which impacted the turnover of the Company for 2013.

However, the main emphasis of the Company will be on changing the operating structure of the Company with renewed focus on lowering the associated fixed cost of production. The Company is now contemplating new distribution model to decrease the time lag associated with disposing off the current high inventory levels.

Summarized Financial Position of the Company

Sr. No.	Particulars	2012-13 (in Rs.)	2011-12 (in Rs.)
1	Turnover	127,39,09,989	341,38,74,552
2	Other Income	1,09,29,175	1,01,91,075
3	Cost of Production	104,82,75,273	307,94,14,416
4	Finance Cost	6,25,88,564	14,61,15,608
5	Share Capital	71,01,01,080	36,01,01,080
6	Long Term Borrowing	105,34,09,150	73,69,86,029
7	Short Term Borrowing	23,08,46,729	56,37,64,420

**Turnover:**

The turnover of the Company decreased by 63 % i.e. from Rs. 341,38,74,552 in 2011 -2012 - to Rs. 127,39,09,989 in 2012 - 2013 on account of macro-economic factors viz., decrease in demand for Company’s products on account of increased availability of edible oil imported from South East Asian countries.

**Other Income:**

Other Income of the Company increased by 7 % i.e from Rs. 1,01,91,075 in 2011 – 2012 to Rs. 1,09,29,175 in 2012 -2013 mainly on account of foreign exchange gains made by the Company during the year.

**Cost of Production:**

Even though there was an increase in cost of raw materials, the percentage of cost of production as a percentage of sales on year to year basis remained constant on account of operational efficiency of the practiced by production department.

**Share Capital:**

The Share Capital of the Company increased from Rs. 36,01,01,080 to Rs. 71,01,01,080 due to allotment of 35000000 Equity Shares of Rs. 10 each, allotted pursuant to issue of Global Depositories Receipts approved by the Shareholders vide the Special Resolution at the Extraordinary General Meeting of the Company held on June 4, 2012.

**Short Term Borrowings:**

The Short term borrowings of the Company decreased from Rs. 56,37,64,420 in 2011-2012 to Rs. 23,08,46,729 in 2012-2013 as the working capital requirements of the Company shrunk due to decrease in turnover of the Company.

**Internal Control Systems and their Adequacy:**

An Audit Committee of the Board of Directors of the Company has been constituted as per provisions of Section 292A of the Companies Act, 1956 and corporate governance requirements specified by Listing Agreements with the Stock Exchanges.

The Internal Audit Function is looked after by an Independent Firm, which conducts review and evaluation and presents the reports to the Audit committee and the Management at regular intervals.

The Internal Auditors Reports dealing with Internal Control Systems are considered by the Audit Committee and appropriate actions are taken, whichever necessary.

**Analysis of Financial Conditions and Results of Operations:**

The Financial Statements have been prepared in accordance with the requirements of the Act, Indian Generally Accepted Principles (Indian GAAP) and the Accounting Standards as prescribed by the Institute of Chartered Accountants of India.

The Management believes that it has been objective and prudent in making estimates and judgments relating to the Financial Statements and confirms that these Financial Statements are a true and fair representation of the Company's Operations for the period under review.

**Development on Human Resource Front:**

At Raj Oil Mills Limited our human resource are critical to our success and carrying forward our mission.. With their sustained, determined and able work efforts we were able to cruise smoothly through the hard time of the economic volatility and rapidly changing market conditions.

The requirement of the markets given the economic scenario has made this even more challenging. Attracting newer talent with the drive, training and upgrading existing skill sets and getting all to move in an unified direction will definitely be task in the company.

By creating conducive environment for career growth, company is trying to achieve the maximum utilization of employee's skills in the most possible way.

There is need and the company is focused on retaining and bringing in talent keeping in mind the ambitious plans despite the market and industry scenario.

The company also believes in recognizing and rewarding employees to boost their morale and enable to achieve their maximum potential. The need to have a change in the management style of the company is one of the key focus areas this year.

**Industrial Relations:**

Industrial Relations throughout the year continued to remain very cordial and satisfactory.

**By Order of the Board of Directors  
For Raj Oil Mills Limited**

**Date:** December 2, 2013

**Place:** Mumbai

**Shaukat Tharadra**  
Chairman & Managing Director



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a set of guidelines to help fulfill its responsibilities to all its stakeholders, i.e. investors, customers, vendors, Government, associates and society. Also, it is a set of systems and practices to ensure that the affairs of the Company is being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal expectations.

Good Governance is an essential ingredient of good business. With this view the Company has inherited legacy of social responsibility, good citizenship, integrity and trust, which ensures transparency and accountability to all the stakeholders of the Company, the Company has endeavored itself to implement and maintain the Corporate Governance process in the most democratic form. Your Company has been committed in adopting and adhering to global recognized standards of Corporate Conduct towards its Employees, clients and society at large.

### BOARD OF DIRECTORS:

#### Composition and Provisions as to the Board:

The Board of Directors of Raj Oil Mills Limited (ROML) has an optimum combination of Executive, Non – Executive and Independent Directors. The Board of Directors consists of 8 (Eight) Directors out of which 4 (four) are Executive Directors and 4 (four) are Non Executive - Independent Directors. The Chairman of the Board of Directors is an Executive Director.

#### Independent Directors:

According to the Clause 49 of the listing agreement, "Independent Director" shall mean a non-executive director of the company who:

- (a) apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the director;
- (b) is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- (c) has not been an executive of the company in the immediately preceding three financial years;
- (d) is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company, and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company.
- (e) is not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect independence of the director.
- (f) is not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares.
- (g) is not less than 21 years of age.

### Composition and Category of Directors

Name of the Director	Category
Shaukat S. Tharadra	Promoter, Chairman and Executive Director.
Azamkhan F. Lohani	Executive, Whole Time Director
Abdulla K. Musla	Executive, Whole Time Director
Rashid I. Tharadra	Executive, Whole Time Director
Mohamedi T. Singaporewala	Non - Executive and Independent
Narotambhai V. Patel	Non - Executive and Independent
R.H. Balasubramanya	Non - Executive and Independent
DipakkumarMadia	Non - Executive and Independent

There are no Nominee Directors on the Board of Directors of the Company.

None of the Directors on the Board is a member of more than 10(ten) committees and Chairman of more than 5 (five) committees as per Clause 49 of listing agreement across all Companies in which they are Directors.

### BOARD MEETINGS:

The board shall meet at least four times in a year, with a maximum time gap of four months between any two meetings. The Company holds regular Board Meetings.

9 (Nine) Meetings of Board of Directors of Raj Oil Mills Limited were held during the Financial Year 2012-2013 on the following dates:

May 5, 2012, May 14, 2012, July 24, 2012, July 26, 2012, August 14, 2012, August 28, 2012, November 7, 2012, November 12, 2012 and February 14, 2013.

### Information supplied to the Board:

Among others, this includes:

- (1) Annual operating plans and budgets and any updates.
- (2) Quarterly results for the Company and its operating divisions or business segments.
- (3) Minutes of meetings of audit committee and other committees of the board.
- (4) The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of the Company Secretary.
- (5) Show cause, demand, prosecution notices and penalty notices, which are materially important
- (6) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- (7) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view



regarding another enterprise that can have negative implications on the Company.

- (8) Details of any joint venture or collaboration agreement.
- (9) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- (10) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement,

implementation of Voluntary Retirement Scheme etc.

- (11) Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- (12) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- (13) Non-compliance of any regulatory, statutory or listing requirements and shareholders service.

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during financial year ended March 31, 2013 were as follows:

Name of Director	Category	Relation -ship Interse	Number of Shares held	Attendance		Number of outside directorship and committee membership/ chairmanship		
				BM	Last AGM	Public Ltd. Company Directorship	Committee membership	Chairmanship *
Shaukat S. Tharadra	Promoter, Chairman & Managing Director	—	29,66,135	9	Yes	NIL	NIL	NIL
Azamkhan F. Lohani	Whole Time Director	—	NIL	9	Yes	NIL	NIL	NIL
Abdulla K. Musla	Whole Time Director	—	1,01,488	9	Yes	NIL	NIL	NIL
Rashid I. Tharadra	Whole Time Director	—	70,000	9	Yes	NIL	NIL	NIL
Mohammedi T. Singaporewala	Non Executive Independent Director	—	NIL	9	Yes	NIL	NIL	NIL
Narottam V. Patel	Non Executive Independent Director	—	NIL	0		NIL	NIL	NIL
Balasubramanya H. Rudrapatna	Non Executive Independent Director	—	NIL	0		NIL	NIL	NIL
Dipakkumar Madia	Non Executive Independent Director	—	NIL	9		NIL	NIL	NIL

**NOTE:**

The above Directorship excludes Directorship in Indian Private Limited Companies, Foreign Companies, Companies under section 25 of the Companies Act, 1956 and membership of Managing Committees of various bodies.

\* Only Chairmanship / Membership of Audit Committee and Share Holders Grievance Committee have been considered, excluding in Raj Oil Mills Limited.

**Code of Conduct**

The Board of Directors has an important role in ensuring good corporate governance and has laid down the Code of Conduct for Directors and Senior Management Personnel of the Company. The Code has also been posted on the website of the Company. All Directors and Senior Management Personnel have affirmed the compliance thereof for the year ended March 31, 2013. Annual Report contains a declaration to this effect signed by the Chief Executive Officer, as provided in Clause 49 of the Listing Agreement.

**COMMITTEES OF THE BOARD:**

The Board of Directors had constituted the following committees:

- I. Audit Committee
- II. Share holders/ Investors Grievance Committee
- III. Remuneration and Compensation Committee

**AUDIT COMMITTEE:**

The Board of Directors has constituted and re-constituted from time to time Audit Committee to commensurate with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

i. Terms of Reference:

The Audit Committee of the Board of Directors of the Company, interalia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

ii. Power of Audit Committee:

The audit committee shall have powers, which should include the following:

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice;

- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

### iii. Role of Audit Committee:

The role of the Audit Committee is as under;

- (1) Financial reporting: The Audit Committee would pay particular attention to critical accounting policies & practices and any changes therein, decisions involving a significant element of judgment, clarity of disclosures, going Concern adjustment, compliance with accounting standards, compliance with legal requirements & stock exchange requirements, other areas as defined by the Board.
- (2) Internal Control & Risk Management: The Audit Committee would pay particular attention to review procedures for detection of fraud, including procedures for reporting frauds by staff in confidence, review management & internal audit reports on the effectiveness of the systems, financial reporting & risk management. Monitor the integrity of internal financial controls, review disclosures on internal controls & risk management framework, assess the scope & effectiveness of risk monitoring & control systems, approve related party transactions.
- (3) Internal Audit: The Audit Committee would pay particular attention to appoint / re-appoint, removal / dismiss of the Internal Auditor & fix their remuneration for services, assess the qualifications, expertise, resources, effectiveness and independence of the internal auditors, review the internal audit function & internal audit programme, ensure access of Internal Auditor to the Chairman of Board / Audit Committee, receive periodic internal audit reports, review management response(s) to the internal audit report, review effectiveness of internal audit in the Company's risk management system, review other services by the internal auditor to ensure internal auditor's independence / objectivity.
- (4) Statutory Audit: The Audit Committee would pay particular attention to recommend appointment/ re-appointment, removal of statutory auditors of the Company to the Board and fix remuneration, assess the qualifications, expertise, resources, effectiveness and independence of the statutory auditors annually, discuss the nature and scope of audit before commencement of audit. Ensure completeness of coverage and optimum use of audit resources, review the audit issues which are resolved / unresolved, errors encountered during audit & management explanations, review audit representation letters before approval by Board, review audit process at the end of audit by discussion with statutory auditors on audit plan, audit risks, internal controls & feedback from key personnel involved, review the management letter received from statutory auditors, review non-audit services by the auditor to ensure statutory auditor's independence / objectivity, annually review the accounts, audit of subsidiary companies with their Auditors & Audit Committee, so far it concerns the Company.

In addition to the above the Role of Audit Committee shall include followings:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
  - i) Matter required to be included in the Directors 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 financial statements.
  - vi) Disclosure of related party transactions.
  - vii) Qualifications in draft audit report.
- c) Reviewing with the management, the quarterly financial statements before submission to the board for approval
- d) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- e) 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 the internal audit.
- f) Discussion with internal auditors any significant findings and follow up thereon.
- g) 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.
- h) 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.
- i) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- j) To review the functioning of the Whistle Blower Mechanism,
- k) Approval of appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function)

after assessing the qualifications, experience & background, etc. of the candidate.

- l) Carrying out any other function(s) as is mentioned in the terms of reference of the audit committee.

iv. Review of information by Audit Committee:

The audit committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operation.
- 2) Statement of significant related party transaction (as defined by audit committee) submitted by the management.
- 3) Management letters/letters of internal control weaknesses issued by the statutory auditors.
- 4) Internal audit reports relating to internal control weaknesses and
- 5) The appointment, removal and terms of remuneration of the internal auditors shall be subject to review by the audit committee.

**Composition of Audit Committee**

The Audit Committee has three members, out of which 2 (two) are Non-Executive Directors and 1 (one) is an Executive Director. All members are financial literate as prescribed in the Listing Agreement. 2/3 of the said members of the Committee are an Independent Directors.

The Chairman of the Committee is an Independent Director

The Company Secretary of the Company had acted as Secretary to the Committee

The reconstituted Audit Committee consists of

Name of the Director	Category	Position in the Audit Committee
Mr. Dipakkumar R. Madia	Independent Director	Chairman
Mr. Narotambhai V. Patel	Independent Director	Member
Mr. Abdulla K. Musla	Whole Time Director	Member

**Meetings and attendance during the year:**

The quorum for the Audit Committee meeting is two members with atleast two Independent Directors.

The Audit Committee met four times during the financial year on May 14, 2012, August 14, 2012, November 12, 2012 and February 14, 2013. The attendance at the Audit Committee meetings was as under:

Name of the Director	Category	No. of Meetings	Meetings Attended
Mr. Dipakkumar R. Madia	Chairman	4	4
Mr. Narotambhai V. Patel	Member	4	4
Mr. Abdulla K. Musla	Member	4	4

The minutes of the Audit Committee meeting form part of documents placed before the meeting of the Board of Directors. In addition the Chairman of the Audit Committee appraises

the Board members about the significant discussion at the Audit Committee Meeting.

**SHAREHOLDERS'/INVESTORS'GRIEVANCE COMMITTEE**

The Board of Directors have constituted Shareholders'/ Investors' Grievances Committee to commensurate with the requirements of Clause 49 of the Listing Agreement. The role of the Committee is to supervise investor relations and redressal of investors' grievances in general, including non-receipt of interest, transfer and transmission of shares, issue of duplicate share certificate, non- receipt of balance sheet, non-receipt of dividend and such other matters as may be required from time to time under any statutory or other regulatory requirement.

The Shareholders/ Investor's Grievance Committee comprises three Directors as under

Name of the Director	Category	Position in the Audit Committee
Mr. Mohammedi T. Singaporewala	Independent Director	Chairman
Mr. Narotambhai V. Patel	Independent Director	Member
Mr. Abdulla K. Musla	Executive Director	Member

At present Mr. Abdulla K Musla, Whole Time Director of the Company, is also the Compliance Officer of the Company.

Status of Investors/shareholders Complaints during the period under review

Complaints	Numbers
Pending at the beginning of the Year	Nil
Received during the Year	1
Disposed off during the Year	1
Unresolved at the end of the Year	Nil

**Meetings and attendance during the year:**

A Meeting of the Shareholders'/Investors' Grievance Committee were held on May 14, 2012, August 14, 2012, November 12, 2012 and February 14, 2013. The attendance at the Shareholders / Investors Grievance Committee Meetings was as under:

Name of the Members	Number of Meetings	Meeting Attended
Mr. Mohamedi T. Singaporewala	4	4
Mr. Narotambhai V. Patel	4	4
Mr. Abdulla K. Musla	4	4

**REMUNERATION COMMITTEE**

The Board of Directors of the Company have constituted the Remuneration Committee to determine Company's Remuneration Policy, appoint Executive Directors and Senior Employees, having regard to performance standards and existing industry practice, to approve grant of Employees Stock Option, if any, and to administer and superintend the same, recommending remuneration package to all Directors as per the requirements of the Clause 49 of the Listing Agreement for Corporate Governance.

## Raj Oil Mills Limited

The Remuneration/ Compensation Committee comprises 3 (Three) Directors out of which 2 (Two) are Non-Executive Independent Directors and 1 (One) is an Executive Director. The Remuneration Committee consists of

Name of the Director	Category	Position in the Audit Committee
Mr. Mohamedi T. Singaporewala	Independent Director	Chairman
Mr. Narotambhai V. Patel	Independent Director	Member
Mr. Abdulla K. Musla	Executive Director	Member

### Meetings and attendance during the year:

There was no meeting of the Remuneration / Compensation Committee was held during the period under review.

Name of the Members	Number of Meetings	Meeting Attended
Mr. Mohamedi T. Singaporewala	NIL	NIL
Mr. Narotambhai V. Patel	NIL	NIL
Mr. Abdulla K. Musla	NIL	NIL

### Remuneration Policy:

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry

### Remuneration to Executive Directors:

The Whole Time Directors of the Company are being paid in accordance with the provisions contained in the Companies Act, 1956. There is no separate service contract entered into by the Company with the Whole Time Directors, the appointment and terms of employment are governed by the Articles of Association of the Company and Resolution passed by the Shareholder of the Company. The remuneration to Whole Time Directors are approved by the Board of Directors and subsequently ratified by the Shareholder of the Company.

### Remuneration to Non-Executive Directors:

The Non-Executive Directors of the Company do not draw any remuneration from the Company.

### Remuneration of All Directors: Sitting fees, salary, perquisites and commission are as under:

The details of the remuneration paid by the Company to its Directors for the year ended March 31, 2013 alongwith their relationships with each other are as under:

Name of the Director	Relationship with Other Directors	Sitting Fees	Salary and Allowances	Profit Commission	Total
Shaukat S. Tharadra	None	N.A.	28,00,000/-	—	28,00,000/-
Azamkhan F. Lohani	None	N.A.	8,00,000/-	—	8,00,000/-
Abdulla K. Musla	None	N.A.	8,00,000/-	—	8,00,000/-
Rashid I. Tharadra	None	N.A.	8,00,000/-	—	8,00,000/-
Mohammedi T. Singaporewala	None	—	—	—	—
Narotambhai V. Patel	None	—	—	—	—
R. H. Balasubramanya	None	—	—	—	—
Dipakkumar R. Madia	None	—	—	—	—

### GENERAL BODY MEETINGS:

The details of last three Annual General Meetings of Raj Oil Mills Limited are as follows:

Date & Time	Venue	Number of Special Resolution Passed
September 27, 2012 at 11.30 a.m.	'Ball Room', Hotel Balwas International, 265, E, Belasis Road, Opp. BEST Bus Depot, Mumbai Central, Mumbai - 400 008	1 (one)
September 27, 2011 at 11.00 a.m.	"Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	1 (one)
September 30, 2010 at 10.30 a.m.	Bhavan Kanji KhetseySabhagriha, BhartiyaVidyaBhavanKalakendra, MunshiSadana, Kulapati K. M. MunshiMarg, Chowpatty, Mumbai 400007	6 (Six)

**Special Resolutions passed in the last three Annual General Meetings:**

Date	Particulars of Special Resolution passed	
	Sr. No.	Special Resolution
September 27, 2012	1.	Allotment of 2,00,00,000 warrants convertible into Equity Shares of the Company to Non - Promoters (Person Acting in Concert)
September 27, 2011	1.	Adoption of Employee Stock option Scheme, 2011 titled "ESOP 2011"
September 30, 2010	1	Appointment of Mr. Shaukat S. Tharadra as Managing Director
	2	Appointment of Mr. Azamkhan F. Lohani as Whole Time Director
	3	Appointment of Mr. Rashid I. Tharadra as Whole Time Director
	4	Appointment of Mr. Abdulla K. Musla as Whole Time Director
	5	Resolution u/s. 81(1A) of the Companies Act, 1956 relating to Further Issue of Shares
	6	Resolution u/s. 81(1A) of the Companies Act, 1956 relating to Further Issue of Shares

The details of the last three Extra-Ordinary General Meetings (EGM) of the shareholders of the Company are as follows:

Date	Time	Venue	Purpose
June 4, 2012	1.00 p.m.	10 Village Manor Palghar, Thane - 401 404	Issue of GDR upto 20 million USD or equivalent rupee and issue of warrants convertible into equity shares on preferential basis.
October 17, 2008	4:30 p.m.	224-230, Bellasis Road, Mumbai- 400008	Issue of Shares on Preferential Basis to Bennett, Coleman & Co. Ltd., and setting up of Blow Moulding Plant at Manor, District Thane
March 26, 2008	11:00 a.m.	224-230, Bellasis Road, Mumbai- 400008	Adoption of New Set of Articles of Association of the Company, Increase in Authorised Capital of the Company from 30 Crores to 40 Crores and Alteration to Memorandum of Association of the Company

There was no Resolution passed through Postal Ballot during the period under review.

**RISK MANAGEMENT**

The Company has devised a Risk Management Framework for Risk Assessment and Minimization, which is assessed by the Board of Directors of the Company every year.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report forms part of the Annual Report

**RELATED PARTY TRANSACTIONS**

There are no materially significant related party transactions during the year, which in the opinion of the Board may have potential conflicts with the larger interest of the Company. The details of transactions with related parties have been mentioned in notes to the Accounts in the Annual Report.

**COMPLIANCE WITH THE CAPITAL MARKET LAWS**

There has not been any material non-compliance on part of the Company on any matter related to Capital Markets during the year ended March 31, 2013.

As per Clause 49 of the Listing Agreement, for the 12 month period ended March 31, 2013, the Company has submitted to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Quarterly Compliance Report signed by the Compliance Officer, confirming Compliance with the mandatory requirements of the said clause.

No pecuniary strictures have been imposed on the Company by any of the authorities related to Capital Market.

**Other Disclosures:**

- I. The Company has already put in place a system for employees to report to the management about concerns relating to unethical behavior, any fraud or violation of Company's Code of Conduct and the access has been provided upto the higher level of supervision including the Audit Committee.
- II. In the preparation of financial statements the Company follows Accounting Standards as prescribed under section 211 (3C) of the Companies Act, 1956.
- III. The Company has complied with all the mandatory requirements and has disclosed information relating to extend of compliance with non-mandatory requirements.
- IV. During the year under review, the Company did not raise any proceeds through a public issue, right issue and / or preferential issue.
- V. The details in respect of Directors seeking appointment/re-appointment as the case may be are provided in Notice convening the ensuing Annual General Meeting.

**MEANS OF COMMUNICATIONS:**

Financial Results: The Company publishes its Financial Results in the Newspapers as required under the Listing Agreement with the Stock Exchanges.

Newspapers wherein results normally published: Free Press Journal All Edition and Navshakti Mumbai edition.

Website: The above Financial Results are also uploaded on the Company's website i.e. www.rajoilmillsLtd.com



## Raj Oil Mills Limited

### GENERAL SHAREHOLDER INFORMATION:

#### Annual General Meeting:

Date and time: December 30, 2013 at 4.00 p.m.

Venue: Hotel Balwas International,  
'Ball Room'  
265, E, Belasis Road,  
Opp. BEST Bus Depot,  
Mumbai Central,  
Mumbai - 400 008

Financial year: April 1st to March 31st

Period for which this Annual Report is presented: April 1, 2012 to March 31, 2013.

#### Financial Calendar (Provisional) for 1st April 2013 to 31st March 2014

Sr. No.	Particulars	Due Dates
1	1st Quarterly Financial Result	On or before 14th August 2013
2	2nd Quarterly Financial Result	On or before 14th November 2013
3	3rd Quarterly Financial Result	On or before 14th February 2014
4	4th Quarterly/Annual Financial Result	On or before 30th May 2014

#### Date of Book Closure:

The Share Transfer Books and the Register of Member will be closed between, September 23, 2013 to September 27, 2013

#### Market Price Data:

The Monthly High and Low prices of Equity Shares of the Company on the BSE and NSE are as follows:

Month	The Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	Monthly High Price	Monthly Low Price	Monthly High Price	Monthly Low Price
April 2012	13.30	9.85	13.45	9.00
May 2012	11.76	9.04	11.80	9.10
June 2012	10.10	9.01	10.25	9.15
July 2012	13.00	9.30	12.90	9.35
August 2012	14.55	7.02	14.60	7.20
September 2012	9.80	7.00	10.05	7.00
October 2012	9.50	7.00	9.35	4.05
November 2012	5.00	3.13	4.95	3.20
December 2012	4.10	3.62	4.05	3.50
January 2013	4.35	3.36	4.35	3.30
February 2013	3.60	2.85	3.60	2.86
March 2013	3.24	1.85	3.25	1.85

Share Price Performance in comparison to broad based indices- for the Financial Year 2012-2013

As on	Closing Share Price on BSE	BSE Sensex	Closing Share Price on NSE	NSE Nifty
02.04.2012	12.81	17478.15	13.35	5317.90
28.03.2013	2.09	18835.77	2.10	5682.55

(both days inclusive) for the purpose of the Eleventh Annual General Meeting.

**Dividend:** The Company did not declared any dividend during the period under review

#### Listing of the Stock Exchanges:

- (1) The Bombay Stock Exchange Limited  
P.J. Towers, Dalal Street Mumbai - 400023
- (2) The National Stock Exchange of India Limited Exchange Plaza, Plot No. C- 1, 'G' Block,  
Bandra – Kurla Complex,  
Bandra (East), Mumbai - 400051

**Listing Fees:** The Company has paid the Annual Listing Fees to both the above Exchanges.

#### Stock Code:

The Stock Code of the Company's Equity Shares on the BSE and NSE are as follows:

The Bombay Stock Exchange Limited 533093  
The National Stock Exchange of India Limited RAJOIL

#### ISIN No.: INE294G01018

#### Registered Office of the Company:

**Raj Oil Mills Limited**  
224-230, Bellasis Road,  
Mumbai- 400008  
Telephone No. 91-022-2302 1996-98  
Fax No. 91-022-2301 5605  
Email: [contact@rajoilmillsltd.com](mailto:contact@rajoilmillsltd.com)  
Website: [www.rajoilmillsltd.com](http://www.rajoilmillsltd.com)



**Registrar and Share Transfer Agent:**

The Company has appointed M/s. Bigshare Services Private Limited as its Registrar and Share Transfer Agent. The Shareholders are advised to approach Bigshare Services Private Limited on the following address for any share and demat related queries and problems:

**Bigshare Services Private Limited**

E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072  
Tel no.: +91 - 22 - 4043 0200  
Fax no.: +91 - 22 - 2847 5207  
Email: info@bigshareonline.com  
Website: www.bigshareonline.com

**Share Transfer System:**

M/s. Bigshare Services Private Limited handles all physical share transfers. The transferee is required to furnish the transfer deed duly completed in all respects together with the share certificates to Bigshare Services Private Limited at the above address in order to enable Bigshare Services Private Limited to process the transfer.

As regards transfers of dematerialized shares, the same can be affected through the Demat Accounts of the Transferor/s and Transferee/s maintained with recognized Depository Participants.

Distribution of shareholding by ownership as of March 31, 2013

Category	March 31, 2013		March 31, 2012	
	Shares held	% of Holding	Shares held	% of Holding
<b>Promoters Holding</b>				
Promoters	2966135	4.177	8127557	22.570
<b>Institutional Investors</b>	5023229	7.074	5527232	15.349
<b>Others</b>				
Private Corporate Bodies	12587953	17.728	7796152	21.650
Individual Shareholders	48738205	68.635	14061455	39.049
Others	1694586	2.386	497712	1.382
<b>Total</b>	<b>71010108</b>	<b>100</b>	<b>36010108</b>	<b>100</b>

**Distribution of Shareholding by Size as on March 31, 2013 (In Rupees)**

Range	Total Holders	% of Total Holders	Share Amount	% of Total Share Capital
1 to 5000	18633	63.5505	34888530	4.9132
5001 to 10000	4011	13.6801	34746730	4.8932
10001 to 20000	2571	8.7688	41473550	5.8405
20001 to 30000	1098	3.7449	28754880	4.0494
30001 to 40000	553	1.8861	20260970	2.8533
40001 to 50000	585	1.9952	28316860	3.9877
50001 to 100000	991	3.3799	76593930	10.7863
100001 to 99999999	878	2.9945	445065630	62.6764
<b>TOTAL</b>	<b>29320</b>		<b>710101080</b>	<b>100.0000</b>

**Shares Held in Physical and Dematerialized Form:**

Break up of shares held in physical and dematerialized form:

Mode	March 31, 2013		March 31, 2012	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Demat	70966555	99.98	35966755	99.88
Physical	43553	0.02	43353	0.12
<b>Total</b>	<b>71010108</b>	<b>100.00</b>	<b>36010108</b>	<b>100.00</b>

## Raj Oil Mills Limited

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### Plant Locations:

- (1) Ten Village, Manor  
Palghar, Thane - 401 404
- (2) F - 9, F – 10 RIICO  
Industrial Area of Bagru, KalanExtn – Phase II,  
Jaipur, Rajasthan – 303 007

### Addresses for Correspondence:

#### (1) Investor Correspondence

##### (a) For Shares held in physical form

Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (East), Mumbai (Maharashtra) 400072  
Tel No. 91-022-4043 0200  
Fax no.: +91 - 22 - 2847 5207  
Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

##### (b) For Shares held in Demat Form

Investors concerned Depository Participant / Bigshare Services Private Limited

#### (2) Any Query on Annual Report

Mr. Abdulla K Musla  
Whole Time Director & Compliance Officer  
224-230, Bellasis Road, Mumbai 400008  
**Designated Email Id:** [cs@rajoilmillsltd.com](mailto:cs@rajoilmillsltd.com)

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification as per Clause 49(V) of the Listing Agreement

The Board of Directors

### Raj Oil Mills Limited

224-230, BELLASIS ROAD,  
MUMBAI-400008

Shaukat S. Tharadra, Managing Director and Abdulla K. Musla, Whole Time Director Finance, hereby certify that in respect of the Financial Year ended March 31, 2013: -

1. We have reviewed the financial statements and the cash flow statements for the Financial Year ended March 31, 2013 and to the best of our knowledge, information and belief:-
  - a) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. We have indicated to the Auditors and the Audit Committee: -
  - a) Significant changes, if any, in internal controls over financial reporting during the year;
  - b) Significant changes, if any, in accounting policies during the year and the same have been disclosed suitably in the notes to the financial statements; and
  - c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: December 2, 2013  
Place: Mumbai

**Shaukat S. Tharadra**  
Chairman and Managing Director

**Abdulla K. Musla**  
Whole Time Director

**DECLARATION BY THE CEO UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub- clause I (D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the All the Directors and the Senior Management personnel of the Company have affirmed their compliance with the Codes of Conduct as applicable to them for Financial Year ended March 31, 2013

Date: December 2, 2013  
Place: Mumbai

**Shaukat Tharadra**  
Managing Director

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**CERTIFICATE**

To

The Members of **RAJ OIL MILLS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **RAJ OIL MILLS LIMITED**, for the Financial Year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with in all material respect the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ranjeet Sharma & Associates**  
Practicing Company Secretary  
Membership No. 27079 & COP No.12291

Place: Mumbai  
Date: December 2, 2013

**Ranjeet Sharma**

## AUDITORS' REPORT

TO,  
THE MEMBERS OF

**RAJ OIL MILLS LIMITED,**

1. We have audited the attached Balance Sheet of **RAJ OIL MILLS LIMITED** as at 31st March 2013 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. 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 have conducted our audit in accordance with 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. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation for correctness and observation of standards. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order 2003, as amended by the Companies (Auditors Report) (Amendment) order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act 1956. We enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in Paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, checked the required books of accounts, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion the company has kept proper books of Accounts as required by law so far, as appears from our examination of such books.
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with this report are in agreement with the Books of Account.
  - d) In our opinion the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards, referred in to sub section (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors, and taken on record by Board of Directors, we report that none of the Directors is disqualified as on 31st March 2013 from being appointed as director in terms of clause (g) of sub-section of (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit & Loss account read together with the Notes thereon give a true & fair view: except balance:
    - i) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2013 and
    - ii) In the case of Statement of Profit & Loss, of the Loss for the year ended on that date.
    - iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For B. M. Gattani & Co.**  
Chartered Accountants  
Firm Reg. No. 113536W

Place : Mumbai  
Dated: 29th May, 2013

**B. M. Gattani**  
Proprietor  
M. No. 047066

## ANNEXURE TO AUDITORS' REPORT

**[Referred to in paragraph 3 of the Auditors' Report of even date to the members of RAJ OIL MILLS LIMITED on the financial statements for the year ended 31/03/2013]**

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. As explained to us, all the Fixed Assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the maintained books and the frequency of verification is reasonable.
- c. In our opinion and according to the information and explanations given to us, the Company has not disposed of substantial part of Fixed Assets during the year.

- ii. a. As explained to us, the inventory of the Company has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable as per accounting standards & practices.
- b. In our opinion, and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. They are in line with the practice followed by the oil industry.
- c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and significant.
- iii. a. The company has not granted loans, secured or unsecured, to any parties covered in the register maintained under Section 301 of the Act during the year.

In our opinion and according to the information and explanation given to us, the rate of interest, where applicable and other terms and condition, are not prima facie prejudicial to the interest of the company. As there is no interest paid or provided on unsecured loans clauses (iii)(b), (iii)(c) & (iii)(d) of paragraph 4 of the said Order are not applicable to the Company.

- b. As informed to us, the Company has taken unsecured loans of Rs.0.91 Crores (Previous Year Rs. 10.42 Crores) from Directors of the company. As there is no interest paid or provided on unsecured loans clauses (iii)(f), & (iii)(g) of paragraph 4 of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business except with regard to purchase of inventory.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :
  - a. In our opinion and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the companies Act, 1956 have been entered in the register required to be maintained under that section and are in order.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act, and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi. The company has not accepted during the year any deposits from the public under the provision of Section 58A and 58AA or any relevant provision of the companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, an internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii. We have been informed that the Company is maintaining Cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act.
- ix. a. According to the information and explanations given to us and as per the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax and other material statutory dues as applicable with the appropriate authorities except the following undisputed statutory dues payable for a period of more than six months from the date they became payable as at end of the financial year are as follows.:

(Amount in Crores)	
Particulars	Amount outstanding for more than 6 months as on 31/03/2013
Provident Fund	0.14 Cr.
Employees State Insurance	0.16 Cr.
TDS	0.55 Cr.
Professional Tax	0.08 Cr.
MVAT	6.62 Cr.

- b. According to the information and explanations given to us and the records of the Company examined by us, following are dues of sales tax, income tax, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute.

(Amount in Crores)			
Name of the Statute	Forum where dispute is Pending	Amount disputed	Period to which dispute relate
Income Tax	CIT(A)	1.27 Cr.	A.Y. 2008-09
Income Tax	ITAT	0.35 Cr.	A.Y. 2008-09
Income Tax	CIT (A)	169.79 Cr.	A.Y. 2005-06 to A.Y. 2011-12
Sales Tax	Sales Tax (Invnt.)	1.25 Cr.	

- x. the company has not any accumulated losses at the end of the financial year, however company has incurred cash losses during the immediately preceding financial year and in the current financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to



us, the Company has defaulted in repayment of dues to the following loans from Financial Institution/ Banks/public deposits as at the balance sheet date. The details of the defaults of repayment is as follows :

Particulars	(Amount in Crores) Amount(Principal + Interest)
1. SVC Term Loan	0.38 Cr.
2. SVC (C/C)	21.34 Cr.
3. Edelweiss Assets Reconstruction Co. Ltd. (EARC)	68.07 Cr.
4. Public Deposits	1.30 Cr.
5. IFCI, SICOM, SIDBI (Bill Discounting)	26.66 Cr.

- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
- xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly the provision of clause 14 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 during the year.

- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on the short-term basis, which have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of equity shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the year hence provision of clause 19 of paragraph 4 of the said order are not applicable to the company.
- xx. According to the information and explanations given to us, the Company has raised Rs. 43.40 Crores by way of GDR issues during the financial year. The management has disclosed the end use of money raised by GDR issue (Refer point no. 7 of note 25 (II) )and the same has been verified by us.
- 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 nor we have been informed of such case by the management, that causes the financial statements to be materially misstated.

**For B. M. Gattani & Co.,**  
Chartered Accountants  
Firm Reg. No. 113536W

**B. M. Gattani**  
Proprietor  
M. No. 047066

Place: Mumbai  
Dated: 29th May, 2013

# Raj Oil Mills Limited

## Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31st March, 2013 (Rupees)		As at 31st March, 2012 (Rupees)	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	1	710,101,080		360,101,080	
(b) Reserves and Surplus	2	1,981,951,241		2,118,244,423	
(c) Money Received against Share Warrants		80,000,000	2,772,052,321	-	2,478,345,503
<b>(2) Non-Current Liabilities</b>					
(a) Long-Term Borrowings	3	1,053,409,150		736,986,029	
(b) Deferred Tax Liabilities (Net)		104,954,365		77,391,595	
(c) Other Long-Term Liabilities	4	6,913,694	1,165,277,209	7,285,618	821,663,243
<b>(3) Current Liabilities</b>					
(a) Short-Term Borrowings	5	230,846,729		563,764,420	
(b) Trade Payables	6	113,976,223		383,712,288	
(c) Other Current Liabilities	7	104,202,264		79,794,576	
(d) Short-Term Provisions	8	115,032,107	564,057,323	115,937,520	1,143,208,804
<b>TOTAL</b>			<b>4,501,386,853</b>		<b>4,443,217,550</b>
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	24	879,661,961		910,555,390	
(ii) Capital work-in-progress	24	199,599,758	1,079,261,719	211,116,347	1,121,671,737
(b) Non-Current Investments	9	250,000		250,000	
(c) Long-Term Loans and Advances	10	413,116,150		2,900,208	
(d) Other non-current assets	11	2,928,435	416,294,585	5,856,871	9,007,079
<b>(2) Current Assets</b>					
(a) Inventories	12	35,103,263		160,759,139	
(b) Trade Receivables	13	2,410,268,361		2,598,139,942	
(c) Cash and Cash Equivalents	14	11,813,599		8,929,040	
(d) Short-Term Loans and Advances	15	545,612,497		541,677,785	
(e) Other Current Assets	16	3,032,829	3,005,830,550	3,032,829	3,312,538,734
<b>TOTAL</b>			<b>4,501,386,853</b>		<b>4,443,217,550</b>
Notes Forming Part of Balance Sheet	25				

As per our report of even date attached

**For B. M. Gattani & Co.**

Chartered Accountants  
Firm Reg. No. 113536W

**B. M. Gattani**

Proprietor  
M.No.047066

Place: Mumbai

Date : 29th May, 2013

For and on behalf of the Board

**Shaukat S. Tharadra** Chairman & Managing Director

**Abdulla K. Musla** Wholetime Director

**Azamkhan F. Lohani** Wholetime Director

## Statement of Profit &amp; Loss for the year ended 31st March, 2013

Particulars	Note No.	As at 31st March, 2013 (Rupees)		As at 31st March, 2012 (Rupees)	
<b>Continuing Operations</b>					
I Revenue from Operations	17	1,273,909,989		3,413,874,552	
II. Other Incomes	18	10,929,175	1,284,839,164	10,191,075	3,424,065,627
III. Total Revenue (I + II)			1,284,839,164		3,424,065,627
IV. Expenses:					
Manufacturing Expenses					
Cost of Materials Consumed	19	985,041,985		2,974,450,420	
Changes in Inventory of Finished goods	20	63,233,288	1,048,275,273	104,963,996	3,079,414,416
Employee Benefit Expenses	21	74,213,606		73,317,456	
Other Expenses	22	235,078,051	309,291,657	182,740,094	256,057,550
Finance Costs	23		62,588,564		146,115,608
Depreciation and Amortization Expenses	24		44,364,434		41,603,003
Total Expenses			1,464,519,929		3,523,190,577
V. Profit/(Loss) before Tax (III - IV)			(179,680,765)		(99,124,950)
VI. Tax Expenses:					
(i) Current tax			-		-
(ii) Deferred Tax Liabilities/ (Asset)		27,562,770	27,562,770	19,013,679	19,013,679
VII. Profit/ (Loss) After Tax			(207,243,535)		(118,138,629)
VIII. Earnings Per Equity Share :					
Basic EPS			(2.92)		(3.28)
Diluted EPS			(2.28)		(3.28)

As per our report of even date attached

**For B. M. Gattani & Co.**Chartered Accountants  
Firm Reg. No. 113536W**B. M. Gattani**Proprietor  
M.No.047066

Place: Mumbai

Date : 29th May, 2013

For and on behalf of the Board

**Shaukat S. Tharadra** Chairman & Managing Director**Abdulla K. Musla** Wholetime Director**Azamkhan F. Lohani** Wholetime Director

## Raj Oil Mills Limited

### Notes Forming Part Of Accounts

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 1</b>		
<b>SHARE CAPITAL</b>		
<b>-Authorised</b>		
1,600,00,000 Equity Shares of Rs. 10/- each.	<b>1,600,000,000</b>	1,600,000,000
[ Previous Year : 1,600,00,000 Equity Shares of Rs. 10/- each ]	<u>1,600,000,000</u>	<u>1,600,000,000</u>
<b>-Issued, Subscribed and fully Paid up</b>		
7,10,10,108 Equity Shares of Rs.10/- each fully paid-up. with voting rights	<b>710,101,080</b>	360,101,080
[Previous Year : 3,60,10,108 Equity Shares of Rs.10/- each]		
[Refer Point No. 1 & 2 of Note 25(II) "Notes to the Accounts"]	<u>710,101,080</u>	<u>360,101,080</u>
<b>Total</b>	<b>710,101,080</b>	<b>360,101,080</b>

[Note :The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one voting right per share.]

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 2</b>		
<b>Reserve &amp; Surplus</b>		
Securities Premium		
Opening Balance	<b>1,183,953,053</b>	1,183,953,053
Add: Additions during the Year	<b>84,000,000</b>	-
	<u>1,267,953,053</u>	<u>1,183,953,053</u>
Less : GDR Issue Exp.	<b>13,049,647</b>	-
<b>Closing Balance (A)</b>	<b>1,254,903,406</b>	1,183,953,053
Profit and Loss Account		
Opening Balance	<b>934,291,370</b>	1,052,429,999
Profit/(Loss) During The Year	<b>(207,243,535)</b>	(118,138,629)
<b>Closing Balance (B)</b>	<b>727,047,835</b>	<u>934,291,370</u>
<b>Total (A) + (B)</b>	<b>1,981,951,241</b>	<u>2,118,244,423</u>

## Notes Forming Part Of Accounts

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 3</b>		
<b>Long-Term Borrowings</b>		
<b>[Also Refer Point No.3, 4 &amp; 5 of Note 25(II) "Notes to the Accounts"]</b>		
<b>(A) Term Loans</b>		
<b>Secured</b>		
<b>1) SVC Bank</b>	<b>3,552,644</b>	3,005,989
[Nature of Security : Term Loan from bank are Secured by hypothecation of Plant & Machinery, Electric Equipments & Miscellaneous Assets.] [Terms of Repayment :Term Loan from bank are repayable in 60 monthly installments with interest rate of P.L.R. - 0.5% P.A.]		
<b>2) KVB Bank</b>	-	290,016,652
[Nature of Security : Term Loan from bank are Collaterally Secured against land and building, Plant & Machinery of Jaipur Unit and New Plant at Manor, District Thane belonging to the company and personally guaranteed by all the four directors.] [Terms of Repayment :Term Loan from bank are repayable in 12 quarterly installments beginning from Jan.-March, 2013 with Interest rate of B.R. + 1.75% P.A.]		
<b>3) Edelweiss Assets Reconstruction Co. Ltd.</b>	<b>680,683,785</b>	-
[Loan from financial Institution are primarily secured against Pari Passu Charge on Current Assets with SVC bank and Collaterally Secured against land and building, Plant & Machinery of Jaipur Unit and New Plant at Manor, District Thane belonging to the company and personally guaranteed by all othe four directors of the company.]		
<b>Total (A)</b>	<b>684,236,429</b>	<b>293,022,641</b>
<b>(B) Other Loans &amp; Advances:</b>		
<b>(i) Secured</b>		
<b>(1) Citi Bank Equity Home Loan</b>	<b>2,944,573</b>	3,198,107
[Nature of Security : Loan from bank are Secured against Flat No.6 ,Avval Co.op.hsg.Soc. belonging to the Company.] [Terms of Repayments : Loan from bank are repayable with Interest rate of 13% p.a.]		
<b>(2) City Home Finance Loan</b>	<b>8,710,355</b>	9,173,723
[Nature of Security : Loan from bank are Secured against Flat No. 3& 4. 2nd Avval Chambers,61 Morland Road, Mumbai Central.] Terms of Repayments : Loan are reapeyable in 180 Monthly installments beg. From 5/07/2009 with rate of interest of 13% p.a.]		
<b>(ii) Unsecured -</b>		
<b>Loans Repayable On Demand</b>		
<b>From bank :</b>		
SICOM	<b>115,605,863</b>	116,105,863
SIDBI	<b>30,824,622</b>	30,824,622
<b>From Others :</b>		
IFCI Factors	<b>120,242,748</b>	120,242,748
<b>Total(B)</b>	<b>278,328,161</b>	<b>279,545,062</b>

## Raj Oil Mills Limited

### Notes Forming Part Of Accounts

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 3 (Contd.)</b>		
<b>[C] Others :</b>		
[1] Public Fixed Deposits (Unsecured)	60,673,052	65,215,000
[2] Loans & Advances from related parties (Unsecured) :		
1 Shaukat S. Tharadra	14,824,551	92,924,551
2. Abdullah K. Musla	15,346,957	6,278,775
<b>Total(C)</b>	<b>90,844,560</b>	<b>164,418,326</b>
<b>Total (A + B + C)</b>	<b>1,053,409,150</b>	<b>736,986,029</b>

[ Note : Installments falling due in respect of all the above Loans upto 31.03.2014 have been grouped under "Current maturities of long-term debt" under other current liabilities head. (Refer Note 7) ]

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note 4</b>		
<b>Other Long -Term Liabilities</b>		
Other Liabilities	6,913,694	7,285,618
<b>Total</b>	<b>6,913,694</b>	<b>7,285,618</b>

#### Note - 5

##### Short-Term Borrowings

##### Secured

##### Loans Repayable On Demand

1) Shamrao Vithal Co-op Bank Ltd	213,415,597	181,015,456
[Loan from bank are primarily secured against Pari Passu Charge on Current Assets with KVB bank and Collaterally Secured against Factory land belonging to the company at Village 10, Taluka Palghar, District Thane alongwith structure standing thereon and personally guaranteed by all othe four directors of the company.]		
2) Karur Vysya Bank (CC A/c)	-	351,295,348
[Loan from bank are primarily secured against Pari Passu Charge on Current Assets with SVC bank and Collaterally Secured against land and building, Plant & Machinery of Jaipur Unit and New Plant at Manor, District Thane belonging to the company and personally guaranteed by all othe four directors of the company.]		
3) Bank of Baroda (CC/Od A/c)	491,400	4,891,090
[Loan from bank are secured against Fixed Deposits belonging to the company.]		
<b>Total (A)</b>	<b>213,906,997</b>	<b>537,201,893</b>
<b>Unsecured</b>		
Loans and advances from Related Parties	4,872,000	5,000,000
Inter Corporate Deposit	10,067,732	19,062,527
Other Loans & Advance	2,000,000	2,500,000
<b>Total (B)</b>	<b>16,939,732</b>	<b>26,562,527</b>
<b>Total (A + B)</b>	<b>230,846,729</b>	<b>563,764,420</b>



## Notes Forming Part Of Accounts

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 6</b>		
<b>Trade Payables</b>		
For Goods	113,976,223	383,712,288
<b>Total</b>	<b>113,976,223</b>	<b>383,712,288</b>
<b>Note - 7</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Debt	665,126	1,182,306
Statutory Dues	84,543,290	62,807,984
Other Payables	18,993,849	15,804,286
<b>Total</b>	<b>104,202,264</b>	<b>79,794,576</b>
<b>Note - 8</b>		
<b>Short Term Provisions:</b>		
Provision for Tax (Net of Advance Tax)	115,032,107	115,937,520
<b>Total</b>	<b>115,032,107</b>	<b>115,937,520</b>
<b>Note - 9</b>		
<b>Non-Current Investments (Long Term Investments)</b>		
<b>Investment (Unquoted)</b>		
<b>Investments in Equity shares of :</b>		
(i) <b>The Shamrao Vithal Co-Op. Bank Ltd.</b>	<b>100,000</b>	100,000
4,000 (4,000) Shares of Rs. 25/- each (Note : Out of above shares worth Rs. 1.00 lakhs (Rs. 1.00 lakhs) have been lien marked by the Bank against credit facilities)		
(ii) <b>The Saraswat Co-Op. Bank Ltd.</b>	<b>25,000</b>	25,000
2,500 (2,500) Shares of Rs. 10/- each		
(iii) <b>The Kalyan Janta Sahakari Bank Ltd.</b>	<b>100,000</b>	100,000
1,000 (1,000) Shares of Rs. 100/- each		
<b>Investments in government securities :</b>		
(i) 6 Year National Saving Certificates - VIII Issue	25,000	25,000
(Securities worth Rs.0.25 lakhs (Rs. 0.25 lakhs) have been pledged to Sales Tax department as a Security deposit for registration)		
<b>Total Aggregate amount of unquoted Investment (Rs.)</b>	<b>250,000</b>	<b>250,000</b>
<b>Note - 10</b>		
<b>Long-Term Loans and Advances</b>		
Unsecured Considered Good:		
Security Deposit	2,963,065	2,900,208
Loan and Advances to Parties	410,153,085	-
<b>Total</b>	<b>413,116,150</b>	<b>2,900,208</b>

## Raj Oil Mills Limited

### Notes Forming Part Of Accounts

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 11</b>		
<b>Other Non- Current Assets (Residual Head)</b>		
Unamortised Expenses :		
Brand Promotion Exp.	2,928,435	5,856,871
<b>Total</b>	<b>2,928,435</b>	<b>5,856,871</b>
<b>Note : Amount of Unamortised Expenses (Brand Promotion) written off upto 31/03/2014 have been grouped under "Other current Assets "head. [Refer Note16]</b>		
<b>Note - 12</b>		
<b>Inventories</b>		
Raw Materials	17,062,297	73,294,966
Packing Material	4,025,096	10,215,015
Stock with Consignee	445,458	445,458
Finished Goods	13,570,412	76,803,700
Mode of Valuation- Refer Note No F. of Note 27)		
<b>Total</b>	<b>35,103,263</b>	<b>160,759,139</b>
<b>Note - 13</b>		
<b>Trade Receivables</b>		
[Unsecured]		
Debts outstanding for a period exceeding six months		
- Considered good	1,975,328,458	1,542,274,618
Other Debts		
- Considered good	434,939,903	1,055,865,324
<b>Total</b>	<b>2,410,268,361</b>	<b>2,598,139,942</b>
<b>Note - 14</b>		
<b>Cash and Cash Equivalents</b>		
-Cash on Hand	437,390	767,863
<b>Balance with Banks</b>		
-In Current Accounts	4,439,213	1,338,293
-In Fixed Deposit Accounts	6,936,996	6,822,884
<b>Total</b>	<b>11,813,599</b>	<b>8,929,040</b>

Notes Forming Part Of Accounts

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 15</b>		
<b>Short-Term Loans and Advances</b>		
[Unsecured and Considered good]		
Advances recoverable in cash or in kind or for value to be received		
- Deposit	1,000,000	1,000,000
- Other	438,948,446	444,140,390
Prepaid Expenses	329,678	1,575
Advances to employees	414,444	764,998
Inter Corporate Deposits	104,919,929	95,770,822
<b>Total</b>	<b>545,612,497</b>	<b>541,677,785</b>

**Note - 16**

**Other Current Assets (Residual Head)**

Interest Accrued	104,394	104,394
Unamortised Expenses :		
Brand Promotion Exp.	2,928,435	2,928,435
<b>Total</b>	<b>3,032,829</b>	<b>3,032,829</b>

**Note : 24**

(Amount in Rupees)

Particulars	Gross block				Depreciation				Net Block	
	Opening Balance as on 01.04.12	Addition	Deletion	Closing Balance as on 31.03.13	Opening Balances as on 01.04.12	For the year	Deletion	Closing Balance as on	Closing Balance as on 31.03.12	Closing Balance as on 31.03.12
<b>Tangible Assets:</b>										
Land	21,997,858	-	-	21,997,858	-	-	-	-	21,997,858	21,997,858
Factory Building	415,381,987	-	-	415,381,987	33,168,509	13,873,745	-	47,042,254	368,339,733	382,213,478
Building-Leasehold	5,262,960	-	-	5,262,960	460,709	85,786	-	546,495	4,716,465	4,802,251
Plant & Machinery	531,664,136	13,266,183	64,125	544,866,194	57,127,549	25,808,438	1,116	82,934,871	461,931,323	474,536,587
Office Equipments	3,082,177	110,625	-	3,192,802	989,178	148,246	-	1,137,424	2,055,378	2,092,999
Computers	13,259,560	29,300	-	13,288,860	6,470,492	1,762,612	-	8,233,104	5,055,756	6,789,068
Furniture & Fixtures	19,636,210	129,022	-	19,765,232	7,268,148	1,250,496	-	8,518,644	11,246,588	12,368,062
Trademark	5,555	-	-	5,555	5,555	-	-	5,555	-	-
Vehicles	19,382,197	-	-	19,382,197	13,627,110	1,436,227	-	15,063,337	4,318,860	5,755,087
<b>Total</b>	<b>1,029,672,640</b>	<b>13,535,130</b>	<b>64,125</b>	<b>1,043,143,645</b>	<b>119,117,250</b>	<b>44,365,550</b>	<b>1,116</b>	<b>163,481,684</b>	<b>879,661,961</b>	<b>910,555,390</b>
<b>Previous year</b>	<b>1,003,366,638</b>	<b>26,306,002</b>	<b>-</b>	<b>1,029,672,640</b>	<b>77,514,247</b>	<b>41,603,003</b>	<b>-</b>	<b>119,117,250</b>	<b>910,555,390</b>	<b>925,852,392</b>
Capital Work In Progress									199,599,758	211,116,347

**ACCOUNTING POLICIES AND NOTES TO ACCOUNT FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

Note – 25

**(I) SIGNIFICANT ACCOUNTING POLICIES :**

**A. Basis of Preparation of Financial Statements:-**

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India and accounting standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

**B. Use of Estimates:-**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

**C. Own Fixed Assets:-**

Fixed Assets are stated at historical cost including any attributable cost including taxes & other duties, freight, installation & other direct or allocable expenses and related borrowing cost for bringing the respective assets to its working condition for its intended use, less accumulated depreciation. All Costs, till commencement of commercial production is capitalized under Manor Refinery Plant.

All the direct costs, expenditure during the project construction period (net of income) are specifically attributable to construction/acquisition of fixed assets and advances against capital expenditure are shown as Capital Work in progress until the relevant assets are ready for its intended use.

**D. Depreciation:-**

Depreciation on Fixed Assets has been provided as per the Straight Line Method of depreciation at the rates and manner prescribed under Schedule XIV to the Companies Act, 1956 amended. The depreciation has been provided on pro-rata basis for the assets purchased during the year including capital expenditure on land & building taken on lease/Leave & License basis but excluding for Computer Software. In case of Computer Software, depreciation is provided as per straight-line method at the rates provided in schedule XIV of the Companies Act, 1956 amended in respect of Computers.

**E. Revenue Recognition:-**

**Sale of Goods :**

Sales are recognized net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery

of goods to customers, sales exclude sales tax and value added tax.

**Other Income:**

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Dividend income is recognized when the right to receive the payment is established by the balance sheet date.

**F. Inventories :**

Inventories are valued at the lower of cost (on FIFO basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary except for by-product, which is valued at estimated realizable value . Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance, and receiving charges. Work-in-progress and finished goods include material cost, appropriate proportion of overheads and, where applicable, excise duty.

**G. Foreign Currency Transactions:**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies remaining unsettled at the year- end are restated at the exchange rate prevailing at end of the year.

**H. Investment:**

Long-term investments are carried at cost less provision for diminution, other than temporary in the opinion of the management, in the value of such investments.

**I. Impairment of Assets :**

Pursuant to Accounting Standard 28 “Impairment of Assets”, The Company has a system to review the carrying values of assets / cash generating units at each Balance Sheet date. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

**J. Employees Benefit:**

- a) The Company’s contribution in respect of Provident Fund is charged to Profit & Loss account every year.
- b) 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 liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end which is calculated using Projected 'Unit Credit Method'. Actuarial gain and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognized in the Profit and Loss Account.

**K. Borrowing cost:**

Borrowing Cost that is directly attributable to the acquisition or construction of qualifying assets is capitalized 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. Other borrowing cost is recognized as expenses in the period in which they are incurred.

**L. Taxation:**

Taxation expenses comprise current tax and deferred tax charge or credit. Provision for income tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred Tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

**M. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present

obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**N. 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.

**O. Deferred Revenue Expenditure :**

Deferred Revenue Expenditure on Brand Promotion has been written off over the period of five years.

**P. Public Deposit :**

Company has accepted Public Deposits according to the directives issued by the Reserve Bank of India and the Provision of section 58A, 58AA or any other relevant provision of the Act and the rules framed there under to the extent applicable.

**Q. Insurance Claims :**

Insurance and other claims to the extent considered recoverable are accounted for in the year on the basis of claims based on the amount assessed by the surveyor. However, claims and refunds whose recovery cannot be ascertained with reasonable certainty are accounted for on acceptance/actual receipts basis.

**R. Earning Per Share.**

The earning considered in ascertaining the company's EPS comprises the net profit for the period 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.

**II. NOTES TO THE ACCOUNTS:**

**1. Statement showing Reconciliation of the Number of Shares and the amount outstanding at the beginning and at the end of the reporting period :**

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>Equity Share Capital-Fully paid up with voting Rights:</b>				
Opening Share Capital	360,101,08	360,101,080	360,101,08	360,101,080
Add : Issued during the year	350,000,00	350,000,000	-	-
<b>Closing Share Capital</b>	<b>710,101,08</b>	<b>710,101,080</b>	360,101,08	360,101,080

**2. Details of Shares held by each Shareholders holding more than 5% of the aggregate Shares in the company (In Nos.) :**

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	In % of Holding	No. of Shares held	In % of Holding
1. Shaukat S. Tharadra	-	-	7,707,557	21.40
2. Sicom Ltd.	5,023,229	7.074	5,527,232	15.35
3. ACG Associated Capsules P. Ltd.	-	-	1,882,068	5.23
	<b>5,023,229</b>	<b>7.074</b>	15,116,857	41.98

## Raj Oil Mills Limited

### 3. Details of terms of re-payment for the Secured long-term borrowings and security provided in respect of the secured long-term borrowings:

S. No.	Particulars	Amount	Nature of Security	Terms of Repayment
1.	SVC Bank	35,52,644	Term Loan from bank are Secured by hypothecation of Plant & Machinery, Electric Equipments & Miscellaneous Assets the company.	Term Loan from bank are repayable in 12 quarterly installments beginning from Jan.-March, 2013 with Interest rate of B.R. + 1.75% P.A.
2.	Edelweiss Assets Reconstruction Co. Ltd. (EARC)	68,06,83,785	Term Loan from bank are Collaterally Secured against land and building, Plant & Machinery of Jaipur Unit, Rajasthan and New Plant at Manor, District Thane, Maharashtra belonging to the company and personally guaranteed by all of the four directors.	Term Loan from bank are repayable in 12 quarterly installments beginning from Jan.-March, 2013 with Interest rate of B.R. + 1.75% P.A.]
3.	City Equity Home Loan	29,44,573	Loan from bank are Secured against Flat No.6, Avval Co.op.hsng.Society, Mumbai Central, Mumbai, belonging to the Company.	Loan from bank are repayable along with Interest rate of 13% p.a.
4.	City Home Finance Loan	87,10,355	Loan from bank are Secured against Flat No.3 & 4, 2nd Avval Chambers, 61 Morland Road, Mumbai Central, Mumbai (Maharashtra).	Loan are repayable in 180 Monthly installments beg. from 5/07/2009 with rate of interest of 13% p.a.

### 4 Details of security provided in respect of the secured Short-term borrowings:

#### Short - Term Borrowings :

S. No.	Particulars	Amount	Nature of Security
1.	SVC Bank	21,34,15,597	Loan from bank are primarily secured against PariPassu Charge on Current Assets with KVB bank and Collaterally Secured against Factory land belonging to the company at Village 10, Taluka Palghar, District Thane, Maharashtra along with structure standing thereon and personally guaranteed by all the four directors of the company.

### 5. Details of Default in repayment of loans and interest in respect of the followings :

#### (a) Amount of Long- Term Borrowings outstanding as on 31/03/2013 :

- i) SVC Term Loan – Amounting Rs. 0.35 Crores
- ii) Edelweiss Assets Reconstruction Co. Ltd. – Amounting Rs. 68.07 Crores
- iii) Public Deposits – Amounting to Rs. 1.30 Crores
- iv) SICOM (Bill Discounting) – Amounting Rs.11.56 Crores
- v) SIDBI (Bill Discounting) – Amounting Rs. 3.08 Crores
- vi) IFCI Factors(Bill Discounting) – Amounting Rs. 12.02 Crores
- vii) Inter-Corporate Deposit – Amounting Rs. 1.00 Crores

#### b) Amount of Short- Term Borrowings outstanding as on 31/03/2013 :

- i) SVC Loan (C/C) – Amounting Rs. 21.34 Crores

### 6. Global Depository Receipts (GDRs) :

The Company raised US \$ 7.76 million (Rs. 43.40 Crores) through the issue of 0.7 million Global Depository Receipts (GDRs) on July 26, 2012. Each GDR represents fifty underlying equity share of Rs. 10 each and the issue got listed with London Stock Exchange. The issue was priced at US \$ 11.084 for each GDR. From the net proceeds of US \$ 7.52 million ( after having



adjusted US \$ 0.24 million towards issue related expenses) the company had utilized US \$ 7.30 million towards Loans and Advances towards general corporate purposes as per the object of the issue and the remaining balance is utilized for the payment of statutory liabilities of the company.

**7. Convertible Warrants :**

The Company has issued 20 million warrants convertible into Equity Shares of the company, of Rs. 10 each at price of Rs. 12 per warrant on preferential basis to the following Individuals (persons acting in concert) during the year under consideration as mentioned in the table given below :

S.No.	Name of the Allotees	No. of Warrants allotted
1.	Abdulla K. Musla	1,00,00,000
2.	Rashid I. Tharadra	1,00,00,000
	<b>Total</b>	<b>2,00,00,000</b>

8. The balance of sundry debtors, Creditors, Loans & advances are subject to their confirmation and reconciliation if any. Bank balance subject to cheques on hand realization.

9. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act,2006 and hence disclosure if any in relation to amount unpaid as at the year end as required under the said Act have not been furnished.

**10. Segment Reporting :**

As the Company's business activity falls within a single primary business segment "Edible Oil & Cakes" the disclosure requirement of Accounting Standard (AS) 17 "Segment Reporting" are not applicable.

11. "Advances to Employees" under "Short term Loan & Advance" head in the balance - sheet includes loan to staff of the Company amounting to Rs.0.02 Crores (PreviousYear: Rs. 0.02 Crores).

**12. Auditor's Remuneration :**

	<u>2012-13</u>	<u>2011-12</u>
i. Audit fees	<b>5,00,000</b>	5,00,000
ii. Tax Audit fees	<b>51,500</b>	51,500
<b>Total</b>	<b><u>5,51,500</u></b>	<u>5,51,500</u>

12. In the opinion of the Board, current assets, loans and advances have a value at least equal to the amounts at which they are stated in the Balance Sheet, if realized in ordinary course of business.

13. In the opinion of the Board, current assets, loans and advances have a value at least equal to the amounts at which they are stated in the Balance Sheet, if realized in ordinary course of business.

**14. Managerial Remuneration under section 198 of the Companies Act, 1956**

Salaries including salaries paid to the following:

(Amount in Crores)

Sr.	Name	Designation	2012-13	2011-12
1	Shaukat S. Tharadra	Chairman and Managing Director	<b>0.28</b>	0.28
2	Rashid I Tharadra	Whole-time Director	<b>0.08</b>	0.08
3	Azamkhan. F. Lohani	Whole-time Director	<b>0.08</b>	0.08
4	Abdulla K Musla	Whole-time Director	<b>0.08</b>	0.08
5	Manavendra S. Gokhale	Chief Executive Officer	<b>0.37</b>	0.37

Since no commission is payable during the year, computation of net profit under Section 198 of the Companies Act, 1956 has not been computed for the year.

15. As per accounting standard -22, issued by the Institute of Chartered Accountants of India, the Deferred Tax Liability of Rs.2.75 Crores (Rs.2.75 Crores) has been recognized in the Profit & Loss Account. The Deferred Tax Liability arises mainly due to the timing difference of brought forward losses and depreciation claimed as per the books of account and the depreciation claimed under the Income tax Act, 1961.

## Raj Oil Mills Limited

### 16. Earnings Per Share.

As required by Statement of Accounting Standard (AS) – 20 “Earning PerShare”, reconciliation of basic and diluted number of Equity shares used in computing Earnings Per Share is as follows

At the year ended	31/03/2013	31/03/2012
Net Profit/(Loss) After Tax (Rs. In Crores)	(20.72)	(11.81)
Weighted average Number of Shares outstanding	71,010,108	36,010,108
Diluted weighted average no.of shares outstanding	91,010,108	36,010,108
Nominal Value of Equity Share (In Rs.)	Rs.10/-	Rs.10/-
Basic Earnings per Share (In Rs.)	Rs.(2.92)	Rs.(3.28)
Diluted Earnings per Share (In Rs)	Rs. (2.28)	Rs. (3.28)

17. The Initial Public Offering (IPO) proceeds have been utilized as per the object of the issue as stated in the prospectus as under :

[Amount in Crores]		
Funds raised through Public Offer		114.00
Sl. Funds Utilized	Projected	Actual
1 Setting up of Refinery, Crushing unit & Other facilities at Manor & Jaipur (including professional fees, Reaserch& Development, other assets and Provision for Contingencies.	64.70	63.49
General Corporate Purposes	16.97	16.25
Margin Money for Working Capital Requirements	14.67	14.86
Brand Promotions	8.41	–
Public Issue Expenses	9.24	10.90
Balance in Current Accounts and Deposits	–	8.50
<b>Total</b>	<b>114.00</b>	<b>114.00</b>

### 18. Expenditure in Foreign Currency :

At the Year Ended	2012-13	2011-12
GDR Issue Exp.	1.30 Crores	–

### 19. Public Deposit Accepted:

During the period Company has not accepted any fixed deposit from the public under the provision of Section 58A and 58AA or any relevant provision of the companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

20. There are no dues payable to the Investor Education and Protection Fund as at 31st March 2013.

21. Balance with Non Schedule Bank held in Current Accounts:

Sl	Name of Bank	As at		Maximum Balance outstanding during the year
		31/03/2013	31/03/2012	
i)	The KalyanJantaSahakari Bank Ltd	–	0.03	0.03
ii)	The Thane Distrcit Co-Op Bank Ltd	0.62	0.62	0.62

### 22. EMPLOYEE BENEFITS:

Disclosures pursuant to Accounting Standard -15 (Revised) “Employee Benefits”:

- (i) The company has recognized as expenses in the profit and loss account as per Acturial Valuation in respect of defined contribution plan Rs. 0.15 Crores administered by the Government.
- (ii) Defined benefit plan and long term employment benefit:

#### A General description:

##### Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service

is eligible for gratuity. Gratuity is computed based on 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

	Amount Rs. Period Ended 31.03.2013 <b>Gratuity</b>	Amount Rs. Period Ended 31.03.2012 <b>Gratuity</b>
<b>B. Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	<b>46,41,329</b>	41,14,851
Interest cost	<b>3,59,959</b>	3,49,762
Current service cost	<b>8,97,149</b>	4,85,718
Benefits paid	<b>-8,13,634</b>	-4,83,634
Actuarial (gain) / losses on obligation	<b>1,74,631</b>	1,74,631
Prior Year Charge	<b>9,27,310</b>	–
Closing defined obligation	<b>68,73,539</b>	46,41,329
<b>C. Change in the fair value of plan asset</b>		
Opening fair value of plan assets	<b>35,06,597</b>	32,22,046
Adjustment of Interest not credited in the Previous Year	<b>4,21,323</b>	–
Expected return on plan assets	<b>3,23,243</b>	2,89,750
Contributions by employer	<b>1,40,367</b>	4,78,435
Benefits paid	<b>-8,13,031</b>	- 4,83,634
Actuarial gains/ (losses)	<b>-22,397</b>	–
Closing fair value of plan assets	<b>35,06,597</b>	35,06,597
<b>D. Actual return on plan assets:</b>		
Expected return on plan assets	<b>3,23,243</b>	2,89,750
Actuarial gain / [loss] on plan assets	<b>-22,397</b>	–
Actual return on plan asset	<b>3,00,846</b>	2,89,750
<b>E. Amount recognized in the balance sheet:</b>		
Fair value of plan Assets at the end of the year	<b>35,56,102</b>	35,06,597
Present Value of Benefit obligation as at the end of the Period	<b>68,73,539</b>	46,41,329
Funded/Unfunded Status	<b>33,17,437</b>	11,34,732
Assets/(Liability) recognized in the Balance Sheet	<b>-33,17,437</b>	11,34,732
<b>F. (Income)/ Expenses recognized in the Profit &amp; Loss Account Statement</b>		
Current service cost	<b>8,97,149</b>	4,85,718
Interest cost on benefit obligation	<b>3,59,959</b>	3,49,762
(Expected Return on Plan Assets)	<b>-3,23,243</b>	-2,89,750
Net actuarial (gain)/ loss in the period	<b>8,83,220</b>	1,74,631
Adjustment in respect of Interest not credited in the Previous Year	<b>-4,21,323</b>	–
Prior Year Charge	<b>9,27,310</b>	–
Net Benefit or expenses	<b>23,23,072</b>	7,20,362
<b>G. Movement in net liability recognized in Balance Sheet</b>		
Opening net liability	<b>11,34,732</b>	8,92,805
Expenses as above	<b>23,23,072</b>	7,20,362
Employer's contribution	<b>-1,40,367</b>	-4,78,435
(Assets)/ Liability recognized in the Balance Sheet	<b>33,17,437</b>	11,34,732
<b>H. Principal actuarial assumptions as at Balance Sheet Date:</b>		
<b>Discount rate</b>	<b>8.10%</b>	8.50%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms consistence with the currency and terms of the post employment benefit obligations]		
<b>Expected rate of return on the plan assets</b>	<b>9.00%</b>	9.00%
[The expected rate of return assumed by the insurance company is generally based on their Investment patterns as stipulated by the Government of India]		
<b>Annual increase in salary cost</b>	<b>6.00%</b>	6.00%
[The estimates of future salary increases considered in actuarial valuation, take account of Inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]		
<b>I. The categories of plan assets as a % of total plan assets are Insurance Company</b>	<b>100%</b>	100%

**23. Contingent Liabilities**

**(a) Income Tax**

The Deputy Commissioner of Income Tax, Mumbai has passed an order u/s 221(1) of Income Tax Act for Assessment Year 2008-09 and levied penalty of Rs0.34 Crores. The company has preferred an appeal against the said order before the Income Tax Appellate Tribunal (ITAT), Mumbai and the case is pending. The Company has been legally advised that the demand is likely to be deleted or substantially reduced and accordingly no provision has been made. The Additional Commissioner of Income Tax, Mumbai has passed an order u/s 143 (3) of Income Tax Act for the Assessment Year 2008-09 and issued Notice of Demand u/s 156 of Income Tax Act, 1961 for sum of Rs.1.26 Crores. The company has preferred an appeal against the said order before the Commissioner Appeals Income Tax, Mumbai and the case is pending. The Assistant Commissioner of Income Tax, Mumbai has passed an order u/s 143(3) r.w.s. 153A of the Income Tax Act, 1961 for the Assessment Year 2005-06 to 2010-11 and u/s 143(3) of the Income Tax Act,1961 for the Assessment Year 2011-12 and issued Notice of Demand u/s 156 of Income Tax Act,1961 for sum of Rs. 169.79 Crores. The company has preferred an appeal against the said order before the Commissioner Appeals of Income Tax, Mumbai and the case is pending. The Company has been legally advised that the demand is likely to be deleted or substantially reduced and accordingly no provision has been made in the books of accounts.

**(b) Sales Tax**

The Assistant Commissioner of Sales Tax Investigation Branch, Mumbai has demanded a sum of Rs.1.52 Crores. The case is pending before the Assistant Commissioner of Sales Tax (Investigation), Mumbai.

**24. Related Party Transactions**

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. As required by Accounting Standard (AS) -18 "Related Party Disclosure" issued by The Institute of Chartered Accountants of India, information in this respect is as follows :

**I. Individual(s) having control with relatives and associate :**

Mr. Shaukat S. Tharadra  
Mrs. Shahida S. Tharadra

**II. Key-Management Personnel :**

Name	Designation
Shaukat S. Tharadra	Chairman & Managing Director (CMD)
Azamkhan F.Lohani	Whole-time Director
Rashid I. Tharadra	Whole-time Director
Abdulla K. Musla	Whole-time Director
Manavendra S. Gokhale	Chief Executive Officer (CEO)

**III. Entities owned or significantly influenced by Directors and/or key management Personnel or their relative and with whom Company has entered into transaction during the period under review :**

Entities	Nature of Relationship
Raj Oil Mills Ltd Employee's Gratuity Trust	Associates
Raj Oil Mills	Associate concern
Raj Builders	Associate concern

**IV. Transaction during the year with related parties**

(Rs. In Crores)

Type of Transaction	Financial Year	Parties referred in I & II above	Parties referred in III above	Total	Outstanding as on 31-03-2013 Debit / (Credit)
Unsecured Loan	2012-13	6.90	-	6.90	(3.02)
	2011-12	(3.03)	-	(3.03)	(9.92)
Advances	2012-13	-	-	-	-
	2011-12	-	-	-	-
Sub-Let Rent	2012-13	1.05	-	1.05	(0.64)
	2011-12	0.99	-	0.99	-
Remuneration	2012-13	0.89	-	0.89	-
	2011-12	0.89	-	0.89	-
Contribution to Gratuity Funds	2012-13	-	0.01	0.01	-
	2011-12	-	0.05	0.05	-

Company has paid Rs.0.31 crores (Previous Period Rs.0.89 crores) to Mr. Shaukat S. Tharadra, as Rent for registered office building admeasuring approximate 8,950 Sq. Ft. of the carpet area at 224, Bellasis Road, Mumbai taken on perpetual sub-tenancy basis vide agreement dated 1st October 2007.

25. The previous year figures have been regrouped / reclassified wherever necessary to confirm the current year presentation.
26. Particular of Balance Sheet abstract and the Company General Business Profile, Pursuant to Part IV of Schedule VI of the Companies Act, 1956 is attached herewith.

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As per our report of even date attached

**For B. M. Gattani & Co.**

Chartered Accountants  
Firm Reg. No. 113536W

**B. M. Gattani**

Proprietor

M.No.047066

Place: Mumbai

Date : 29th May, 2013

For and on behalf of the Board

**Shaukat S. Tharadra** Chairman & Managing Director

**Abdulla K. Musla** Wholetime Director

**Azamkhan F. Lohani** Wholetime Director

**Additional information as required under part IV to the Companies Act, 1956  
(Refer Point No. 23 of the Note No. 25 (II) “Notes to the Accounts”)**

**Balance Sheet Abstract and Company’s General Business Profile**

**I. Registration Details**

Registration No.	133714	State Code	11
Balance Sheet Date	31	03	2013

**II. Capital Raised during the year  
(Rs. In thousands)**

Public Issue	350,000	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds  
(Rs. In thousands)**

Total Liabilities	4,501,387	Total Assets	4,501,387
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**Sources of Funds**

Share Capital	710,101	Reserves and Surplus	1,981,951
Share Application Money	-	Deferred Tax Liability	104,954
Secured Loans	909,798	Unsecured Loans	374,458

**Application of Funds**

Net Fixed Assets	1,079,262	Investments	250
Net Current Assets	2,441,773	Misc. Expenditure	2,928
Accumulated Losses	NIL		

**IV. Performance of Company (Rs.in thousands)**

Turnover/Total Income	1,273,910	Total Expenditure	1,464,520
Profit Before Tax	(179,681)	Profit after Tax	(207,244)
Earning Per Share in Rs. (Basic)	(2.92)	Dividend Rate (Per Share)	NIL
Earning Per Share in Rs. (Diluted)	(2.28)		

**V. Generic Names of Three Principal Products/Services  
of Company (as per monetary terms)**

Item Code No. (ITC Code)	15089001	Product Description	Groundnut Oil
Item Code No. (ITC Code)	15131900	Product Description	Coconut Oil
Item Code No. (ITC Code)	15159019	Product Description	Til Oil



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2012-13 Rs. (In Lakhs)	2011-12 Rs. (In Lakhs)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Tax and extra-ordinary items	(1,796.81)	(991.25)
<b>Adjustments for:</b>		
Depreciation	443.64	416.03
Financial Costs	625.89	1,461.16
Dividend Income	(0.17)	(0.32)
Interest Income	(103.85)	(101.59)
<b>Operating Profit before working capital changes</b>	<u>(831.29)</u>	<u>784.03</u>
<b>Adjustments for:-</b>		
(Increase)/Decrease in Inventories	1,256.56	2,868.83
(Increase)/Decrease in Trade & other Receivables	1,878.72	(2,957.09)
(Increase)/Decrease in Other Current Assets	(4,112.22)	635.91
Increase/(Decrease) in Trade Payables	(2,453.28)	(2,770.47)
<b>Cash Generated from Operations</b>	<u>(4,261.53)</u>	<u>(1,438.79)</u>
Taxes (paid)/Refund	(9.05)	(251.91)
<b>Net Cash from Operating Activities (A)</b>	<u>(4,270.58)</u>	<u>(1,690.70)</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets/WIP	(20.19)	(113.08)
Dividend Received	0.17	0.32
Interest Income	103.85	101.59
Sale/Deletion of fixed Assets	0.64	-
<b>Net Cash used in Investing Activities (B)</b>	<u>84.47</u>	<u>(11.17)</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds From issue of Shares, GDR, and Share Warrants	5,009.50	-
Proceeds from Long Term Borrowing	3,164.23	3,362.51
Proceeds from Short Term Borrowing	(3,329.18)	(559.17)
Loan & Advances	(3.72)	(4.83)
Finance Charges Paid	(625.89)	(1,461.16)
<b>Net Cash Used from Financing Activities (C)</b>	<u>4,214.95</u>	<u>1,337.35</u>
<b>Net Increase in Cash and Cash Equivalents(A + B + C)</b>	<u>28.85</u>	<u>(364.51)</u>
Cash and Cash equivalents at the beginning of the year	89.29	453.80
Cash and Cash equivalents at the end of the year	<u>118.14</u>	<u>89.29</u>
	<u>(28.85)</u>	<u>364.51</u>

As per our report of even date attached

**For B. M. Gattani & Co.**Chartered Accountants  
Firm Reg. No. 113536W**B. M. Gattani**Proprietor  
M.No.047066

Place: Mumbai

Date : 29th May, 2013

For and on behalf of the Board

**Shaukat S. Tharadra** Chairman & Managing Director**Abdulla K. Musla** Wholetime Director**Azamkhan F. Lohani** Wholetime Director

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**RAJ OIL MILLS LIMITED**

**Registered Office:** 224-230, Bellasis Road, Mumbai 400 008

**PROXY FORM**

FOLIO NO. (Shares in physical mode) \_\_\_\_\_

DP ID \_\_\_\_\_

CLIENT ID \_\_\_\_\_

NO. OF SHARES HELD \_\_\_\_\_

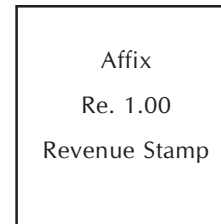
I/We \_\_\_\_\_ residing at \_\_\_\_\_ being a Member / Member(s) of Raj Oil Mills Limited hereby appoint Mr. / Ms. \_\_\_\_\_ or failing him/ her, Mr. / Ms. \_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the 11th Annual General Meeting of the Company to be held on Monday, December 30, 2013 at 4.00 p.m. at 'Ball Room' Hotel Balwas International, 265, E, Bellasis Road, Opp. BEST Bus Depot, Mumbai Central, Mumbai - 400008, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

**Notes:**

The form should be signed across the stamp as per specimen signature registered with the Company

The form should be deposited at the Registered Office of the Company forty-eight hours before the time for holding the Meeting.



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**RAJ OIL MILLS LIMITED**

**Registered Office:** 224-230, Bellasis Road, Mumbai 400 008

**ATTENDANCE SLIP**

FOLIO NO. (Shares in physical mode) \_\_\_\_\_

DP ID \_\_\_\_\_

CLIENT ID \_\_\_\_\_

NO. OF SHARES HELD \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the 11th Annual General meeting of the Company to be held on Monday, December 30, 2013 at 4.00 a.m. at 'Ball Room' Hotel Balwas International, 265, E, Bellasis Road, Opp. BEST Bus Depot, Mumbai Central, Mumbai - 400008 and at any adjournment thereof.

\_\_\_\_\_  
**Signature of Member/Proxy**

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

## BOOK POST

If undelivered, please return to :-

**Raj Oil Mills Limited**

224-230, Bellasis Road

Mumbai- 400008

RAJ OIL MILLS LIMITED

Notes Forming Part Of Accounts

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 17</b>		
<b>Revenue From Operations</b>		
<b>Indigenous Sales</b>		
Manufactured/Traded Goods	1,269,227,687	3,412,968,677
Other Operating Revenues	4,682,302	905,875
<b>Total</b>	<b>1,273,909,989</b>	<b>3,413,874,552</b>

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 18</b>		
<b>Other Incomes</b>		
Interest Income		
- from Banks	482,324	1,128,041
- from Loans & Advances	9,902,314	9,031,034
Dividend Income	17,030	32,000
Foreign Exchange Gain	527,507	-
<b>Total</b>	<b>10,929,175</b>	<b>10,191,075</b>

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 19</b>		
<b>Material consumed</b>		
Opening Stock	83,509,981	265,874,487
Purchases	922,619,397	2,792,085,914
	1,006,129,378	3,057,960,401
Less: Closing Stock	21,087,393	83,509,981
<b>Total Material consumed</b>	<b>985,041,985</b>	<b>2,974,450,420</b>
Material Consumed Comprises of :		
Raw Material	945,493,382	2,924,006,731
Packing Material	39,548,604	50,443,689

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 20</b>		
<b>Changes in Inventory of Finished goods</b>		
Opening stock of Finished goods	76,803,700	181,767,696
Less: Closing Stock of Finished Goods	13,570,412	76,803,700
<b>(Increase)/Decrease in inventories</b>	<b>63,233,288</b>	<b>104,963,996</b>

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 21</b>		
<b>Employee Benefit Expenses</b>		
Salary, Bonus and Allowances	68,345,433	65,087,730
Workmen & Staff welfare	1,913,974	3,160,834
Contribution to PF & Others	3,954,199	5,068,892
<b>Total</b>	<b>74,213,606</b>	<b>73,317,456</b>

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 22</b>		
<b>Other Expenses</b>		
Labour & Jobworks charges	16,040,703	11,016,936
Power, Fuel and Water charges	12,299,938	10,880,794
Freight and Octroi	13,133,270	14,190,940
Repairs & Maintenance of machinery	1,670,891	1,358,999
Refinery expenses	3,466,595	7,210,962
Travelling & Conveyance	9,196,862	12,812,338
Postage & Communication	579,451	513,114
Insurance	379,737	368,711
Printing & Stationery	1,915,151	1,918,549
Rent, Rates & Taxes	15,734,306	13,292,875
Professional & Legal	8,148,901	7,780,991
<u>Repair &amp; Maintenance</u>		
- Buildings	2,192,721	2,014,289
- Others	1,399,079	1,064,540
Motor Car expenses	3,130,985	2,794,396
Computer expenses	2,083,618	1,252,230
Bad debts written off	84,745,829	3,525,495
Telephone & Mobile expenses	2,458,734	2,239,388
Selling and Distribution	50,479,027	83,726,016
Auditors' Remuneration	551,500	551,500
Other Expenses	5,470,753	4,227,030
<b>Total</b>	<b>235,078,051</b>	<b>182,740,094</b>

Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>Note - 23</b>		
<b>Finance Cost</b>		
Interest Expenses	55,478,729	129,308,030
Other Finance Cost	7,109,834	16,807,578
<b>Total</b>	<b>62,588,564</b>	<b>146,115,608</b>