

10th Annual Report
March 2012



Bright future...

...Global Vision



Purity
everlasting

...as always



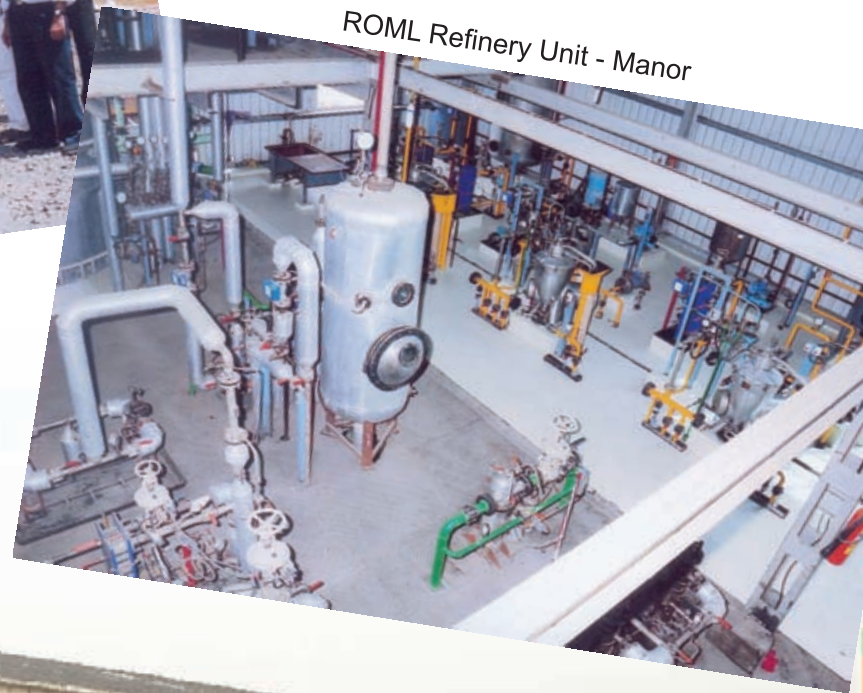
RAJ OIL MILLS LTD.
Purity. Since 1943.



Extra Ordinary General Meeting
Manor - 4th June, 2012



Investors visit to ROML Refinery. - Manor



ROML Refinery Unit - Manor

ROML Factory - Manor





Company Information

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

Chief Executive Officer

Manavendra Gokhale

Bankers

The Shamrao Vithal Co. Op. Bank Ltd.

Karur Vysya Bank Limited

Auditors

Statutory

Agarwal Desai & Shah

Chartered Accountants

Internal

M/s. K. C. Jain Kala & Co.,

Chartered Accountants

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

Mr. Dipakkumar R. Madia

Mr. Narotambhai V. Patel

Mr. Abdulla K. Musla

Status

Chairman (Independent Director)

Independent Director

Whole Time Director

Remuneration Committee

Name of the Director

Mr. Mohammedi T. Singaporewala

Mr. Narotambhai V. Patel

Mr. Abdulla K. Musla

Status

Chairman (Independent Director)

Independent Director

Whole Time Director

Shareholders'/ Investors' Grievance Committee

Name of the Director

Mr. Mohammedi T. Singaporewala

Mr. Narotambhai V. Patel

Mr. Abdulla K. Musla

Status

Chairman (Independent Director)

Independent Director

Whole Time Director

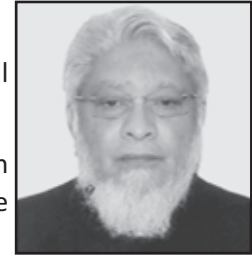


CHAIRMAN'S SPEECH

Hello to all the shareholders and everybody associated with Raj Oil Mills Ltd.

The Board and the management of the company are presenting the Annual Report 2011-2012 to all of you. I have mixed sentiments to be shared with you on the performance of the company.

We did not do well as expected in the last financial year. While there are genuine reasons both industry and economy driven, there are also company based actions which had impact on the performance due to non commencement of units in southern region.



The dollar going extremely adverse, the resultant shift in supply chain and timing created a sudden adverse situation for a lot of companies in the oil industry. The shift witnessed in terms of increased movement of palm oil due to consumer price sensitivity also impacted the markets. Delayed deliveries of crude and impact on pricing were contributing factors not only affecting sales but also affecting the bottom line.

With the monsoon being below expectation this year we see a year of churning and consolidation in the industry. There is definite possibility of turmoil, changes even in the organized sector. Shift to palm is likely to manifest in the coming year or two.

With four major states producing groundnut and the coastal areas of palm cultivation not getting the requisite rain the likely hood of imports becoming substantial over the last year cannot be ruled out.

FASSI implementation is a welcome move towards taking the right steps in making good quality and unadulterated or mixed oil available to the customers. We do hope it will not only be a requirement but will be strongly enforced in what is likely to be a year where consolidation will happen further in the industry.

Raj Oil Mills Ltd had a below expectations year in turnover but this year we will move out from the shortcomings on the turnover and returns. Your GDR for 20 mn USD has been approved and we have successfully issued GDRs worth USD 7.5 mn in the markets. These will help us to spread our scale of operations nationally and internationally.

Specific attempts have been implemented successfully in the company to reduce the interest burden by restructuring the working capital mix. Deferment of some financial liabilities thereby allowing to grade the payouts with and in tandem with a market expansion plan.

We have seen the turnover drop down significantly in the last year, Rs. 341 Crores from Rs 469 crores in FY 2010-2011. For the first time we have seen operating and cash losses and this year we resolve to undo the effects of the last year and go beyond.

Try and contain passing on increasing in prices of crude inputs , transportation to the end customers has cost the company in terms of volumes and value but we will continue to keep such increases to the minimum.

Due the uncertainty in USD \$ rates and insufficient feed stock there were substantial delays in the sourcing of oil leading to non operations of the refinery and its impact on the overall operations has been perceptible and worrisome.

There is going to be a major shift in the management style for driving growth at Raj Oil Mills Ltd. The decision making and implementation will be substantially handed over to the management team and the BOD will involve itself more in policy decisions and interacting on the strategy.

IT initiatives, changes in financing to reduce cost of capital and paving the way for strong managerial initiative we believe will help us move rapidly for generating growth. There is a plan of action to recover lost ground last year and move beyond. The team at Raj Oil Mills have their work cut out for them and will have to definitely bend their backs and make the effort which has commenced but needs to be sustained.

Change is a continual process and we must always be ready to move along the times and plan for the future.



I feel that space and room to prove capabilities must be provided and hence I am planning to share some responsibilities and activities with a few changes in the Board and Management in future.

Finally and most importantly, I thank the shareholders who have reposed faith in Raj Oil Mills Ltd. You have always stood by us in all our endeavors; I on behalf of the Board individually and severally acknowledge your support. I take this opportunity to also assure you of a strong and robust performance by Raj Oil Mills Ltd. We had planned a robust business plans at both domestic and international levels which have been pending and I look forward to actioning them during this year.

The industry has capacities for good growth; 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.

Thank You.

Shaukat S. Tharadra
Chairman & Managing Director



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NOTICE is hereby given that the Tenth 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 Thursday, September 27, 2012 at 11:30 a.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 2012, Balance Sheet as on date along with Auditors' Report, Directors' Report, Management Discussion and Analysis and Corporate Governance Report thereon.
- (2) To appoint Mr. Abdulla K. Musla, as Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
- (3) To appoint Mr. Narottam V. Patel 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, 224A 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 in place of retiring Statutory Auditors, M/s. Agarwal Desai & Shah, Chartered Accountants, Mumbai, who have expressed their unwillingness for re-appointment, 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 in connection with the audit of the accounts of the Company for the year ending March 31, 2013”

SPECIAL BUSINESS

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

“RESOLVED THAT in terms of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification(s) or re-enactment thereof the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchange where the Company's shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [“SEBI (ICDR) Regulations”] and any amendment thereof as may be applicable on preferential issue of Warrants Convertible into Equity Shares and other applicable regulations/guidelines of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred on the Board by these resolution, have been delegated) and subject to such consents or approvals of SEBI, Stock Exchange, Govt. of India, Reserve Bank of India or such other bodies or authorities as may be required by the law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals, and which may be agreed to by or any other authority as may be necessary for that purpose, the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot upto 2,00,00,000 (Two Crores) Warrants Convertible into Equity Shares of the Company, of Rs.10 each (Rupees Ten only) at price of Rs.12/- (Rupees Twelve only) per warrant being the price higher than the price determined as per SEBI (ICDR)



Regulations, on a preferential basis to the following persons as mentioned in the table below on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company, at the time of issue or allotment, subject to the overall guidelines governing such issue:

Sr. No.	Name of the proposed Allottees	Address of the Proposed Allottees	No. of Warrants to be allotted	Category	Allottees is
1	ABDULLA K. MUSLA	Flat No. 1, 1st Floor, Avval Chs. 61, Morland Road, Mumbai 400 008	10000000	Individual	PERSON ACTING IN CONCERT (PAC)
2	RASHID ISMAIL THARADRA	Flat No. 503, 5th Floor, Mukarrma, Wing C, Momin Nagar, 205 Patel Est Road, Jogeshwari(West), Mumbai -400102	10000000	Individual	PERSON ACTING IN CONCERT (PAC)
	TOTAL		20000000		

RESOLVED FURTHER THAT the pricing of the Equity Shares to be allotted on conversion of the above said warrants, calculated in accordance with the SEBI Guidelines on the 'Relevant Date' in relation to the conversion of one warrant into one Equity Share, and the relevant date as under:

- I. The 'Relevant Date' as per SEBI (ICDR) Regulations for the determination of applicable price for issue of aforesaid Equity Shares is August 28, 2012
- II. 2,00,00,000 (Two Crore) Warrants of Rs.10/- each shall be convertible into 2,00,00,000 (Two Crore) Equity Share of the face value of Rs.10/- each on payment of aggregate price on the following terms and conditions:
 - (a) Exercise of offer for conversion of the warrants shall be at the sole option of the warrant holders at any time within a period of 18 months from the date of allotment of warrants in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ["SEBI (ICDR) Regulations"] or any amendment thereof.
 - (b) The warrant holder(s) shall pay an amount equivalent to 25% i.e. Rs. 3/- (Rupees Three only) per warrant of the value of the warrant on or before the date of allotment of warrants.
 - (c) The amount referred to in point (b) above shall be adjusted against the price payable subsequently for acquiring the shares by exercising an option by the warrant holder(s).
 - (d) The warrant holder(s) shall pay on or before the date of conversion of such warrants into equity shares, the balance 75% (Rs. 9/- per warrant).
 - (e) The amount referred in above (b) shall be forfeited, if the option to convert the shares is not exercised by the warrant holder(s) within the stipulated time.
- III. The warrants shall be locked in as per the provisions Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ["SEBI (ICDR) Regulations"] or any amendment thereof.
- IV. The allotment of convertible warrants shall be completed within a period of 15 days from the date of passing of this resolution by the shareholders, provided, that where the allotment is pending on account of pendency of any approval from any Regulatory Authorities, Stock exchanges or the Central Govt., the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.



- V. The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the Balance Sheet and/or Directors' Report of the Company, indicating the purposes for which such monies have been utilized and that the details of the unutilized monies shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized money have been invested.

RESOLVED FURTHER THAT the Equity Shares so issued on conversion of warrants shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company shall ensure that whilst any warrants remaining exercisable, it will at all times, keep available and reserved such part of its authorised but unissued share capital as would enable all outstanding warrants to be satisfied in full.

RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares as may be issued on conversion of warrants with the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd.

RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the new equity shares to be issued on conversion of warrants on preferential basis as and when required.”

Date : August 28, 2012

Place : Mumbai

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

**Shaukat Tharadra
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 173(2) 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 Saturday, the 22nd day of September 2012 to Thursday, the 27th day of September, 2012 (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. Bigshare 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. Bigshare Services Private Limited
- (9) Appointment / Re-Appointment of Directors at the ensuing Annual General Meeting:
 - (i) Mr. Abdulla K. Musla and Mr. Narottam V. Patel, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

The details pertaining to these Directors required to be provided pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the Corporate Governance Report as provided in this Annual Report.
- (10)
 - (a) Members holding shares in physical form are requested to advice 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 dematerialisation 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 attached to the Annual report and the same is also available on the website of the Company to Bigshare 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.
- (16) A special notice in terms of Section 190 of the Companies Act, 1956, has been received under Section 225 (1) from the Board of Directors of the Company proposing the appointment of M/s. B. M. Gattani & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company, in place of M/s Agarwal, Desai & Shah, Chartered Accountants, Mumbai, the retiring Auditors of the Company who had shown their unwillingness for re-appointment as Statutory Auditor of the Company. The retiring auditors of the Company have no representation to make for notification to the Board and Members of the Company relating to special notice.

Date : August 28, 2012

Place : Mumbai

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

Shaukat Tharadra
Managing Director



EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 5:

The following explanatory statements sets out all material facts relating to the Special Business mentioned in the accompanying notice

The Board of Directors of the Company give below disclosures that are required to be given in the explanatory statement to the special resolution to be passed under section 81(1A) of the Companies Act, 1956 and in terms of the SEBI (ICDR) Regulations (“ICDR Regulations”) or any amendment thereof.

1. **Object and manner of activities of proceed of the Issue to be utilised:** The Company intends to use all or substantially all of the proceeds from the issue of the securities towards setting up/acquisition of new manufacturing and other facilities, upgradation / modernization of existing facilities, augmenting long term working capital and any other use, as may be permitted under applicable law or regulations, from time to time.
2. **Relevant data and pricing of the issue:** The issue price of the Warrants convertible into the Equity Shares shall be Rs.12/- (Rs. Twelve only) each respectively.

The price of the Equity shares of Rs.10/- each has been fixed for Rs.12/- (Rupees Twelve only) per share to be issued on conversion of warrants based on the relevant date August 28, 2012 respectively, calculated in the manner specified for pricing of shares to be allotted in lieu of warrants as per the SEBI (ICDR) Regulations (“ICDR Regulations”) or any amendment thereof.

As per the SEBI (ICDR) Regulations (“ICDR Regulations”), the price for warrants convertible into Equity Shares of Rs.10/- each has been determined at Rs.12/- per Warrants convertible into equity shares on the relevant date August 28, 2012, based on the quotations available at the National Stock Exchange Limited. The issue price of Rs.12/- per Warrant is higher than the SEBI (ICDR) Regulations (“ICDR Regulations”) or any amendment thereof. A Certificate to that effect has been obtained from the Auditors of the Company which is also available for inspection at the Registered Office of the Company.

3. **Intention of the promoters or their associates and relatives to subscribe to the offer:** The proposed allottees for preferential issue of 2,00,00,000 Warrants to be converted into the Equity shares of Rs.10 each, are the person(s) acting in concert (PAC) as referred in the resolution. Mr. Abdulla K. Musla and Mr. Rashid I. Tharadra who are the proposed allottees and also the Whole time Directors of the Company.

None of the present Promoters or their associates and relatives of the Company, except Mr. Abdulla K. Musla and Mr. Rashid I. Tharadra, intend to subscribe to proposed preferential allotment of warrants convertible into equity shares.

4. **Proposed time within which the allotment shall be completed:** The allotment of warrants shall be completed within a period of 15 days from the date of passing of these resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval from any regulatory authority, Stock Exchanges or the Central Govt., the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

As per SEBI (ICDR) Regulations 2009 or any amendment thereof, the warrants holders have the option to exercise to convert warrant into equity shares within a period of 18 months from the date of allotment of the warrants.

5. **Shareholding pattern before and after the offer:** The shareholding pattern of the Company, before and after the preferential allotment and allotment of other securities would be as follows:



Category	Before the proposed offer		After the proposed offer	
	No of Shares	% of shareholding	No of shares	% of shareholding
Promoters holding				
Indian Promoters	8127557	11.45	8127557	8.93
Foreign Promoters	NIL	NIL	NIL	NIL
Persons acting in concert	171488	0.24	20171488	22.16
Subtotal	8299045	11.69	26058704	31.09
Non promoters Holding				
Existing Foreign Institutional Investors	NIL	NIL	NIL	NIL
Mutual Funds and UTI	NIL	NIL	NIL	NIL
Banks/Financial Institutions/Insurance Companies/Central State Government Institutions/Non Govt Institutions	5527232	7.78	5527232	6.07
Sub Total	5527232	7.78	5527232	6.07
Private Corporate Bodies	6346491	8.94	6346491	6.97
Indian public	15343974	21.61	15343974	16.86
NRI/ OCBs	442922	0.62	442922	0.49
Others/ Clearing Members	50444	0.07	50444	0.06
Sub total	22183831	31.24	22183831	24.38
Others(GDR/ADR/FCCB)	35000000	49.29	35000000	38.46
Grand Total	71010108	100	91010108	100

The shareholding is taken as per the last shareholding pattern filed with the stock exchange.

Note - The above post issue pattern is based on the assumption of full subscription of the warrants and the subsequent allotment of equity shares on conversion of warrants into one equity share of Rs.10/- each at price of Rs.12/- per share and full subscription of the proposed issue under section 81(1)(A) as detailed in item No. 5 of the accompanying notice.

6. **Identity of the proposed allottees and percentage of post issued capital that may be held:** As stated earlier, it is proposed to allot 2,00,00,000 warrants to the persons acting in concert. The percentage that may be held by allottees in post-issued capital on conversion of warrants shall be as set out in 5 above. The identity of the allottees and their relations with the promoters are as under:

Name of the proposed allottees	Category	Relation, if any with the promoters or person in control of the Company
Mr. Abdulla K. Musla	Individual	Person Acting in concert (PAC)
Mr. Rashid I. Tharadra	Individual	Person Acting in Concert (PAC)

7. **Approvals:** The Company will take necessary steps to obtain the required approval from the Stock Exchange, SEBI or any other regulatory agency as may be applicable, for the proposed preferential issue of warrants to be converted into equity shares.
8. **Undertaking of the Issuer:**
The Company undertakes that:
- 1) It shall re-compute the price of the specified securities in terms of the provisions of SEBI (ICDR) Regulations



or any amendment thereof where it is required to do so under the provisions of SEBI (ICDR) Regulations or any amendment thereof;

- 2) If the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations or any amendment thereof, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.
9. **SEBI Takeover code:** In terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any amendment thereof, the investors are not required to make an open offer.
10. **Lock-in-period shares:** Total securities being allotted to the persons shall be subject to lock-in as per SEBI (ICDR) Regulations or any amendment thereof.
11. **Auditors Certificate:** Auditor's Certificate confirming that the proposed issue of warrants convertible into Equity Shares are in accordance with the SEBI (ICDR) Regulation 2009 or any amendment thereof, will be available for inspection up to the date of the Annual General Meeting at the Registered Office of the Company on any working day and also at the AGM
12. **Approval under the Companies Act, 1956:** Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a company by a further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in general meeting by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81 and all other applicable provisions of the Companies Act, 1956, SEBI Guidelines and the provisions of the Listing Agreement with the Stock Exchange for authorizing the Board to offer, issue and allot convertible warrants as stated in the resolution, which would result in a further issuance of securities of the Company to the person acting in concert (PAC) on a preferential allotment basis.

The Board of Directors recommend the passing of this resolution as Special Resolution as set in item No. 5 of the Notice.

Date : August 28, 2012

Place: Mumbai

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

Shaukat Tharadra
Chairman & Managing Director



Forward- Looking Statements :

This Report contains, Forward- Looking Statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements 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 Edible Oil Industry:

Edible oils constitute an important component of food expenditure in Indian households. Indian edible oil industry in 2012-13 is a cautious statement. Increase in fuel prices have people trying to estimate the logistical impact, uncertainty on dollar with volatility is another . The industry will however expect higher revenue growth primarily from the rural buildup.

Per capita consumption may not increase or increase very marginally due higher purchase costs as a value.

Expect the margin pressures coupled with higher working-capital needs and expansion plans to exert pressure on the liquidity profiles of most edible oil companies.

Prices of feed stock suggest marginal range of movement:

Global crude palm oil (CPO) production likely to be higher per various analysts but will be off-set by higher demand from ASIA (mainly India and china). Hence prices coming down as a operationally helpful variable is unlikely.

Soyabean production growth is likely to be lower in 2012 due to poor weather conditions the crop yields in India also in South America and the Impact of insufficient monsoon on the local crops namely overall production of mustard and groundnut oilseeds to decline due to lower acreage and yields that would result in lower crushing and output.

The product offering and its percentage contribution to the top line will require rapid ability to use opportunities while ensuring competitive pricing and movement from the unorganized sector.

SME companies likely to be hit directly by large company moves and flanking by unorganized sector . Have to keep lower stocks, faster replenishment and fulfillment in driving turnovers.

Imports and Operation Size will impact Margins:

The operating Margins getting squeezed due competitive actions by large companies and price initiatives by small and unorganised sector companies is a definite possibility. Companies with backward integration extending to the sourcing or plantation with or without a tie up or vide strategic alliances will be key determinant in being able to retain margins and still ensure growth at the top line.

Cost controls and operating efficiencies with specific actions on timely sourcing, managing stocking at finished goods level will have to be keenly watched over by any company. Evaluation of alternative scenarios with different product mixes done to mitigate supply and pricing risks at our company level. Palm will be definitely forming one of the major components in alternate scenarios.

Financial Management Practices and Reviews:

Lower operating cash flows or delayed cash flows could impact the desired objective of the topline for 2012. Higher



working-capital needs both on stocks and finished goods have created a scenario of adjusting the timelines and schedules of committed and work –in –process priorities. We will be able to defer Capex defer capex till a certain time frame but will have to ensure completion to deliver the topline. In it the GDR inflow comes in as a opportune move by the company and permits us to implement the plans without impacting the margins due project delays or cost of capital.

Heavy debt funded structure of the company to be replaced by a better financing model and thankfully significant part of it has been pushed into implementation.

Overseas operations and sourcing with their consolidation into the company will strengthen the position and help complete the multi locational and distribution requirements in different operational theatres with essential safeguards and risk mitigation.

Opportunity due to Branded Product Profile:

Companies with branded products will be able to withstand the consolidation in the market place due better acceptability of product. With the new FASSI regulations pressure on unorganized or smaller players will have to relook at choices . Pricing benefits due scale likely to hit them adversely.

Diversified product mix will play major role in market penetration and regional performance. Management of distribution policy will impact the market spread of the company and will involve walking a fine balance in FY2012-13. Liquidity pressures will have to be kept on aggressive focus and yet the width of distribution to be significantly enhanced. Impact on value added products will having lesser gestation time to settle down and limiting the number of products will be possibly essential as cap on advertisements will be needed and have been evaluated and revised.

Favourable demand outlook for edible oils; underpenetrated market offers significant growth potential:

Dependence on Palm, and Soya oil will continue :

Domestic edible oil markets requires “ **8.0-8.5 million tonnes per annum with normal growth of 2%-3% in supply,(source ICRA)**” with the drought situation the impact of Indian crop output and total cultivated average is possibly negated. There will be greater shift to palm oil in the coming year unless soya and sunflower prices stay stable at current levels and supply stays on schedule. (news on this from soya producing countries is not favourable) Madhya Pradesh being declared as a drought hit state will impact price of acquisition on crude, refined soyabean definitely. Our main stays of sunflower, groundnut and mustard will also have pricing volatility and prices likely to end on the higher side.

Plan to review purchase and mandi prices being implemented will provide better window of sourcing. More vendors into the sourcing fold likely to provide some pricing cushion. The management estimates that Palm will come close or marginally cross the 50% of supply figures mainly from imports at a national /industry level.

Local sources and alliances are tapped and hence with the backward integration and overseas sales component will help improve the performance over last year.

Festive season and international pricing are for the first time play a more noticeable role and hence inventory and packaged product (branded segment) will be major in focus. Inventory downsizing and Finished goods at distribution points also sharply in focus across all regions for Raj Oil Mills Ltd.

With additional refining capacities added we see an opportunity of supplying top quality oil and also pack for branded regional players this year. Pricing will be the key in this initiative and the management will have to do a adroit tradeoff between managing customer expectations and securing and furthering good will in the markets on a Pan India basis.

Regional preferences and established product basket may help Raj Oil Mills Ltd.

Indian consumers consumption pattern is the variation in preferences across regions, driven by taste and availability of Mustard oil and soya bean oil are largely consumed in northern and eastern regions. We have branded and well accepted products in distribution need to enhance shop/counter presence significantly vide aggressive marketing and selling .



The product portfolio as envisaged by the management with not launched but ready products will help on driving the growth of sunflower and palm oil will add volumes alongside groundnut oil in the west and southern regions.

The management looks forward to introducing health driven oil in the branded segment and target that considerably large urban segment in the coming months. The impact on sales will not be significant in FY2012-13 but will get the company stronger volumes on a continual basis. Price having a major say in determining consumer choice, with the current inflation levels hitting the purchasing of all consumers the company will revise and focus on its pricing policies.

Impact of inflation will be definitely felt at both ends of the supply chain and the management has decided to keep its aspirations low but keep a socially conscious and customer centric approach.

Maintaining high capacity utilisations:

Your management considers this a key deterministic feature for good operations this year. Mustard capacity with the increase in it is available at Bagru (Jaipur). Refinery for sunflower and soya are also in place at Manor. Fractionation unit for Palm oil planned and will get into execution at Manor.

Additional locations identified and we are in a position to introduce palm quickly in the market place. This utilization of capacities across the major consumption spread of oil in branded form and capacity to cater to requirements for other industry customers likely to reduce operational risks due to scale.

Flexibility in changing production combinations on various oil will help the company immensely while dealing with putting a stronger professional process and I.T integration inside the company. Multilocation status will get operational this year and that will reduce the distribution time and costs which may well end up being as key variable this year 2012-13.

The same could not be implemented in the previous year ending 2011-12 which has cost the company volumes and profitability.

Branded products will help in securing EBIDTA to a extent.

Capacity Addition vide expansions and acquisition/consolidation not on high priority:

The company has mapped out and determined CAPEX areas and no further inclusions in new capacity additions than those planned and “activity commenced” and in various stages will be on the priority list as regards the operations.

No new CAPEX driven movements for addition of capacities in this year planned. Effort will be on cycle time management and various actions will be in that direction. This will be welcome news for all stake holders of the company as a debt driven growth feature is not going to impact the organization.

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 definately be task in the company.

Plans to execute the mandate on this count are already underway and we should see it impacting the results from the third quarter of the next financial year.

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.

CAUTIONARY STATEMENT

Certain statement in "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the management envisages in terms of future performance and outlook.

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

Place : Mumbai
Date : August 28, 2012

Shaukat S. 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, spiritness, 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
Dipakkumar Madia*	Non - Executive and Independent

*Mr. Dipakkumar Madia, a Non – Executive Independent Director was appointed as an Director of the Company by the shareholder at the Annual General Meeting held on Tuesday, September 27, 2011.

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 2011-2012 on the following dates:

May 27, 2011, July 27, 2011, August 11, 2011, August 26, 2011, November 12, 2011, January 25, 2012, February 13, 2012, March 5, 2012 and March 30, 2012.

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, 2012 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 **	Chairman-ship **
Shaukat S. Tharadra	Promoter, Chairman & Managing Director	--	77,07,557	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
Mohamedi T. Singaporewala	Non Executive Independent Director	--	NIL	9	Yes	NIL	NIL	NIL
Narottam V. Patel	Non Executive Independent Director	--	NIL	4	Yes	NIL	NIL	NIL
Balasubramanya H. Rudrapatna	Non Executive Independent Director	--	NIL	4	Yes	NIL	NIL	NIL
Dipakkumar Madia3	Non Executive Independent Director	--	NIL	7	Yes	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, 2012. Annual Report contains a declaration to this effect signed by the Chief Executive Officer, as provided in Clause 49 of the Listing Agreement.

APPOINTMENT AND REAPPOINTMENT OF DIRECTORS:

At the ensuing Annual General Meeting



1. Mr. Abdulla K Musla and Mr. Narottambhai V Patel, Directors of the Company retire by rotation and being eligible to offer themselves for re-appointment.

THE ABBREVIATED RESUMES OF THESE DIRECTORS ARE AS UNDER:

Name of the Directors	Mr. Abdulla K Musla	Mr. Narottambhai V Patel
Date of Birth	December 1, 1956	June 6, 1948
Qualification	Senior Secondary Education	Master Degree in Science
Date of Appointment	January 9, 2002	February 29, 2008
Directorship in other Companies	NIL	NIL
Expertise in Specific Areas	Finance and Accounting	Agricultural and other allied areas
Number of shares held in the Company	101488	NIL

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, inter alia, 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 judgement, 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 earlier 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 27, 2011, August 12, 2011, November 16, 2011 and February 13, 2012. 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 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
Un resolved 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 27, 2011, August 11, 2011, November 12, 2012 and February 13, 2012. The attendance at the Shareholders / Investors Grievance Committee Meetings were as under :

Name of the Members	Number of Meetings	Meeting Attended
Mr. Mohammedi 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.

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 Committee
Mr. Mohammedi 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:

A Meeting of the Shareholders'/Investors' Grievance Committee were held on May 27, 2011, August 11, 2011, November 12, 2012 and February 13, 2012. The attendance at the Shareholders / Investors Grievance Committee Meetings were as under:

Name of the Members	Number of Meetings	Meeting Attended
Mr. Mohammedi 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, 2012 alongwith their relationships with each other is as under:

Name of the Director	Relationship with Other Directors	Sitting Fees	Salary and Allowances	Profit Commission	Total
Shaukat S. Tharadra	None	N.A.	28,08,000/-	--	28,08,000/-
Azamkhan F. Lohani	None	N.A.	8,24,000/-	--	8,24,000/-
Abdulla K. Musla	None	N.A.	8,24,000/-	--	8,24,000/-
Rashid I. Tharadra	None	N.A.	8,24,000/-	--	8,24,000/-
Mohammedi T. Singaporewala	None	--	--	--	--
Narotambhai V. Patel	None	--	--	--	--
R. H. Balasubramanya	None	--	--	--	--
Dipakkumar R. Madia	None	--	--	--	--



Mr. Dipakkumar Madia, a Non – Executive Independent Director was appointed as Director of the Company by the Shareholders at the Annual General Meeting held on September 27, 2011.

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, 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 Khetsey Sabhagriha, Bhartiya Vidya Bhavan Kalakendra, Munshi Sadan, Kulapati K. M. Munshi Marg, Chowpatty, Mumbai 400007	6 (Six)
May 28, 2009 at 11:00 a.m.	224-230, Bellasis Road, Mumbai- 400008	Nil

Special Resolutions passed in the last three Annual General Meetings:

Date	Particulars of Special Resolution passed	
	Sr. No.	Special Resolution
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
May 28, 2009	Nil	

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 accounts point no. 24 of 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, 2012.

As per Clause 49 of the Listing Agreement, for the 12 month period ended March 31, 2012, 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. However, on July 26, 2012, the Company has received Rs. 43.40 crores, by issue of 3,50,00,000 Equity Shares of Rs. 10/- each underlying 7,00,000 GDRs.
- 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

**GENERAL SHAREHOLDER INFORMATION:****Annual General Meeting:****Date and time:** September 27, 2012 at 11.30 a.m.**Venue:** Hotel Balwas International,
'Ball Room'
265, E, Bellasis 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, 2011 to March 31, 2012.**Financial Calendar (Provisional) for 1st April 2012 to 31st March 2013**

Sr. No.	Particulars	Due Dates
1	1st Quarterly Financial Result	On or before 14th August 2012
2	2nd Quarterly Financial Result	On or before 14th November 2012
3	3rd Quarterly Financial Result	On or before 14th February 2013
4	4th Quarterly/Annual Financial Result	On or before 30th May 2013

Date of Book Closure:

The Share Transfer Books and the Register of Member will be closed between, September 22, 2012 to September 27, 2012 (both days inclusive) for the purpose of the Tenth 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 Palza, Plot No. C- 1, 'G' Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051
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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
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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

Website: www.rajoilmillsltd.com



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 2011	37.50	31.35	40.00	30.80
May 2011	38.70	30.50	39.50	30.40
June 2011	38.15	29.70	38.15	29.65
July 2011	34.75	29.00	33.50	29.00
August 2011	33.30	17.10	33.00	18.05
September 2011	25.00	17.05	25.00	17.05
October 2011	22.75	20.00	25.00	20.00
November 2011	21.85	10.50	21.85	10.70
December 2011	11.65	9.18	11.65	9.30
January 2012	14.70	9.90	14.70	9.60
February 2012	16.70	12.70	17.50	12.60
March 2012	14.40	11.90	14.75	11.55

Share Price Performance in comparison to broad based indices- for the Financial Year 2011-2012

As on	Closing Share Price on BSE	BSE Sensex	Closing Share Price on NSE	NSE Nifty
01.04.2011	32.15	19420.30	32.15	5826.05
30.03.2012	12.72	17404.20	12.70	5295.55

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, 2012

Category	March 31, 2012		March 31, 2011	
	Shares held	% of Holding	Shares held	% of Holding
Promoters Holding				
Promoters	8127557	22.57	19000100	52.76
Institutional Investors	5527232	15.35	54130	0.15
Others				
Private Corporate Bodies	7796152	21.65	5620216	15.61
Individual Shareholders	14061455	39.05	10324250	28.67
Others	497712	1.38	1011412	2.81
Total	36010108	100	36010108	100

Distribution of Shareholding by Size as on March 31, 2012 (In Rupees)

Range	Total Holders	% of Total Holders	Share Amount	% of Total Share Capital
1 to 5000	18218	79.6694	31354420	8.7071
5001 to 10000	2361	10.3249	19694000	5.4690
10001 to 20000	1154	5.0466	18167100	5.0450
20001 to 30000	368	1.6093	9557750	2.6542
30001 to 40000	161	0.7041	5869480	1.6300
40001 to 50000	150	0.6560	7170500	1.9912
50001 to 100000	260	1.1370	19766490	5.4892
100001 to 99999999	195	0.8528	248521340	69.0143
TOTAL	22867	100%	360101080	100%

Shares Held in Physical and Dematerialized Form:

Break up of shares held in physical and dematerialized form:

Mode	March 31, 2012		March 31, 2011	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Demat	35966755	99.88	35967105	99.88
Physical	43353	0.12	43003	0.12
Total	36010108	100.00	36010108	100.00

Outstanding GDRs/ ADRs/ Warrants/Convertible Instruments and their Impact on Equity: Raj Oil Mills Limited have outstanding 7,00,000 GDRs and against which the Company has issued 3,50,00,000 Equity Shares of Rs. 10/- each @ Rs. 12.40/- per share. The above GDR upon conversion in to equity shares will have voting rights.



Plant Locations:

- (1) Ten Village, Manor, Palghar, Thane - 401 404
- (2) F - 9, F - 10 RIICO
Industrial Area of Bagru, Kalan Extn - 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
Website: 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



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

To,
The Board of Directors
Raj Oil Mills Limited
224-230, Bellasis Road,
Mumbai-400008

We, 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, 2012: -

1. We have reviewed the financial statements and the cash flow statements for the Financial Year ended March 31, 2012 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; an
 - 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.

Shaukat S. Tharadra
Chairman and Managing Director

Abdulla K. Musla
Whole Time Director Finance

Date: 28th August, 2012
Place: Mumbai



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 Directors and the Senior Management personnel of the Company have affirmed their compliance with the Codes of Conduct as applicable to them for the Financial Year ended March 31, 2012

Manavendra Gokhale
Chief Executive Officer

Date: August 28, 2012
Place: Mumbai

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, 2012, 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 Amit R. Dadheech & Associates
Company Secretary
Membership No. 22889
COP No. 8952

Amit R. Dadheech

Place : Mumbai
Date : August 28, 2012



To The Members,

RAJ OIL MILLS LIMITED

We are pleased to present the Tenth Annual Report together with the audited statements of accounts of the Company for the financial year ended March 31, 2012.

FINANCIAL RESULTS

The financial performance of the Company for the Financial Year ended March 31, 2012 is summarised below:

(Rs. in Lakhs except EPS)

	Financial Year Ended March 31, 2012	Financial Year Ended March 31, 2011
Total Income	34240.66	49536.63
Profit before Depreciation and Tax	(575.21)	3,753.78
Less : Depreciation	416.03	241.39
Net Profit before Tax	(991.24)	3,512.39
Less : Provision for Current Tax	--	916.50
Net Profit before Deferred Tax	(991.24)	2,595.89
Less/(Add): Deferred Tax	190.14	563.72
Net Profit after Deferred Tax	(1181.39)	2,032.17
Add : Balance b/f from Previous Year	10524.30	8,492.13
Total Profit available for Appropriation	9342.92	10,524.30
Appropriation	--	--
Balance carried to Balance Sheet	9342.92	10,524.30
Earning Per Share		
- Basic	(3.28)	5.64
- Diluted	(3.28)	5.64

OPERATIONS

During the year under review, your Company's financial performance is as follows:

- Sales decreased from Rs. 494.28 Crores to Rs. 341.39 Crores.
- EBIDTA decreased from Rs. 47.96 Crores to Rs. 8.86 Crores.
- Networth decreased from Rs.258.48 Crores to Rs. 246.96 Crores.
- Cost Effective Process with the technique of ERP has been started at Head office and Manor plant.
- Mother Godowns Locations finalized and supporting C & F / Stockist appointed and functioning to the extend distribution.

SHARE CAPITAL

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



ALLOTMENT DURING THE PERIOD

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 period Company has accepted 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. However, 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.

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 appointed M/s. K. C. Jain Kala & Co., Chartered Accountants, as Internal Auditors of the Company.

DIRECTORS

Mr. Abdulla K. Musla and Mr. Narottam V. Patel, 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.

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, 2012 and Profit 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 August 26, 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

M/s. Agarwal, Desai & Shah, Chartered Accountants, Mumbai, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and has shown their unwillingness to continue as the Statutory Auditors of the Company due to their pre - occupation in other matters and hence not offered themselves for re-appointment.

The Board of Directors of the Company has served a special notice under section 225(1) of the Companies Act, 1956 and recommended M/s. B. M. Gattani & Co. Chartered Accountants, to be the Statutory Auditors of the Company till the conclusion of the next annual general meeting.

The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of section 224 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 upgradation & 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, 2012 are as follows:

Foreign Exchange Earnings	-	Rs. NIL (Previous Year: Rs. NIL)
Foreign Exchange Outgo	-	Rs. NIL (Previous Year: Rs.1,91,000/-)

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, 2012 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. The Company is finalising the suitable candidate holding a membership of the Institute of the Company Secretaries of India.

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**

Shaukat S. Tharadra

Chairman & Managing Director

Place: Mumbai

Date : August 28, 2012



FORM - A

(A) Power and Fuel consumption in respect of

	Financial Year Ended March 31, 2012	Financial Year Ended March 31, 2011
1 Electricity		
(a) Purchased		
Units (KWH in lakhs)	6.16	5.91
Total Amount (Rs. in lakhs)	30.38	42.98
Rate per unit (Rs./ Unit)	4.92	7.19
(b) Own generation		
Through Diesel Generator		
Units (KWH in lakhs)	0.79	3.34
Total Amount (Rs. in lakhs)	10.81	38.98
Cost per unit (Rs. / Unit)	13.65	11.68
2 Furnance Oil/LSHS/LDO/HSD		
Qty. (K. Ltrs.)	28.45	27.63
Total Amount (Rs. in lakhs)	14.02	9.04
Average rate (Rs. / Ltrs.)	49.27	32.70

(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.



AUDITOR'S 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 2012 and also the Profit & Loss Account 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, Profit & Loss Account and Cash Flow Statement dealt with this report are in agreement with the Books of Account.
 - d) In our opinion the Balance Sheet, Profit & Loss Account 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 2012 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:
 - i) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2012 and
 - ii) In the case of Profit & Loss Account, 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 **Agarwal Desai & Shah**
Chartered Accountants
Firm Reg. No : 124850W

Rishi Shekhri
Partner
M. No. 126656

Place : Mumbai
Dated : 21st August 2012



[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 31/03/2012]

1. 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.
2. 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 edible 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.
3. a. As informed to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, clauses (3)(b), (3)(c), (3)(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.10.42 Crores (Previous Year Rs. 6.89 Crores) from Directors of the company. As there is no interest paid or provided on unsecured loans clauses (iv)(f), &(iv)(g) of paragraph 4 of the said Order are not applicable to the Company.
4. 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.
5. 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.
6. The company has accepted 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.
7. 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.
8. We have been informed that the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.



9. 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 as on 31/03/2012
Provident Fund	0.40
Employees State Insurance	0.02
TDS	0.69
Professional Tax	0.05
MVAT	5.08
APMC Tax	0.02

Subsequently the company has deposited the arrears of all statutory dues in respect of Provident Fund, Employee State Insurance, and Tax Deducted at Source, Professional Tax, and APMC Tax as on the date of Audit Report.

- 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 Statute	Pending to	Amount demanded
Income Tax	CIT(A)	1.27
Income Tax	ITAT	0.35
Sales Tax	Sales Tax(Invst.)	1.52

10. The Company has neither accumulated losses nor had any cash losses in the immediately preceding financial year. However the company has incurred cash losses during the current financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues except 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 :

(Amount in Crores)

Particulars	Amount(Principal+Interest)
1. SVC Term Loan	0.38
2. City Home Loan(Total)	0.03
3. SVC (C/C)	2.11
4. KVB (C/C)	2.13
5. Public Deposits	0.75
6. IFCI, SICOM, SIDBI (Bill Discounting)	26.71



12. 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.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. 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.
20. According to the information and explanations given to us, the Company has not raised any money by way of public issues during the financial year.
21. 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 Agarwal Desai & Shah.
Chartered Accountants
Firm Reg. No. 124850W**

**Rishi Shekhari
Partner
M. No. 126656**

Place: Mumbai
Dated: 21st August, 2012



Balance Sheet as at 31st March, 2012

Particulars	Note No.	(Rupees)		(Rupees)	
		As at 31st March, 2012		As at 31st March, 2011	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	1	360,101,080		360,101,080	
(b) Reserves and Surplus	2	2,118,244,423	2,478,345,503	2,236,383,051	2,596,484,131
(2) Non-Current Liabilities					
(a) Long-Term Borrowings	3	469,812,797		133,562,133	
(b) Deferred Tax Liabilities (Net)		77,391,595		58,377,916	
(c) Other Long-Term Liabilities	4	7,285,618	554,490,010	6,802,344	198,742,393
(3) Current Liabilities					
(a) Short-Term Borrowings	5	830,937,654		886,854,444	
(b) Trade Payables	6	383,712,288		703,466,121	
(c) Other Current Liabilities	7	79,794,576		38,053,567	
(d) Short-Term Provisions	8	115,937,520	1,410,382,038	141,128,437	1,769,502,569
TOTAL			4,443,217,551		4,564,729,094
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	25	910,555,390		925,852,392	
(ii) Capital work-in-progress		211,116,347	1,121,671,737	226,114,560	1,151,966,952
(b) Non-Current Investments	9	250,000		250,000	
(c) Long-Term Loans and Advances	10	2,900,208		2,709,615	
(d) Other non-current assets	11	5,856,871	9,007,079	8,785,305	11,744,920
(2) Current Assets					
(a) Inventories	12	160,759,139		447,642,183	
(b) Trade Receivables	13	2,598,139,942		2,302,430,956	
(c) Cash and Cash Equivalents	14	8,929,040		45,380,433	
(d) Short-Term Loans and Advances	15	541,677,785		601,497,227	
(e) Other Current Assets	16	3,032,829	3,312,538,735	4,066,422	3,401,017,222
TOTAL			4,443,217,551		4,564,729,094
Notes Forming Part of Balance Sheet	26				

As per our report of even date attached

For Agarwal Desai & Shah

Chartered Accountants

Firm Reg. No. 124850

RISHI SHEKHARI

Partner

M.No.126656

Place: Mumbai

Dated: 21st August, 2012

For and on behalf of the Board

Shaukat S. Tharadra

Chairman & Managing Director

Azamkhan F. Lohani

Wholetime Director

Abdulla K. Musla

Wholetime Director

Statement of Profit & Loss for the year ended 31st March, 2012



Particulars	Note No.	(Rupees)		(Rupees)	
		Year Ended 31st March, 2012		Year Ended 31st March, 2011	
Continuing Operations					
I Revenue from Operations	17	3,413,874,552		4,942,785,177	
II. Other Incomes	18	10,191,075	3,424,065,627	10,877,595	4,953,662,772
III. Total Revenue (I + II)			3,424,065,627		4,953,662,772
IV Expenses:					
Manufacturing Expenses					
Cost of Materials Consumed	19	2,974,450,420		4,253,597,178	
Changes in Inventory of Finished goods	20	104,963,996		(50,204,863)	
Other Manufacturing Expenses	21	46,462,110	3,125,876,526	49,131,236	4,252,523,551
Administrative & Selling Expenses					
Employee Benefit Expenses	22	73,317,456		69,293,499	
Other Administrative and Selling Expenses	23	136,277,984	209,595,440	152,241,076	221,534,575
Expenses					
Finance Costs	24		146,115,608		104,226,211
Depreciation and Amortization Expenses	25		41,603,003		24,139,073
Total Expenses			3,523,190,577		4,602,423,409
V. Profit/(Loss) before Tax (III - IV)			(99,124,950)		351,239,362
VI. Tax Expenses:					
(i) Current tax		-		91,650,000	
(ii) Deferred Tax Liabilities/(Asset)		19,013,679	19,013,679	56,371,916	148,021,916
VII. Profit/ (Loss) After Tax			(118,138,629)		203,217,446
VIII Earnings Per Equity Share Basic and Diluted			(3.28)		5.64
See Accompanying Notes to the Financial Statements	26				

As per our report of even date attached

For Agarwal Desai & Shah

Chartered Accountants

Firm Reg. No. 124850

RISHI SHEKHARI

Partner

M.No.126656

Place: Mumbai

Dated: 21st August, 2012

For and on behalf of the Board

Shaukat S. Tharadra

Chairman & Managing Director

Azamkhan F. Lohani

Wholetime Director

Abdulla K. Musla

Wholetime Director



Schedules Forming Part Of Accounts

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 1		
SHARE CAPITAL		
-Authorised 1,600,00,000 Equity Shares of Rs. 10/- each. [Previous Year : 40,000,000 Equity Shares of Rs.10/- each]	1,600,000,000	400,000,000
	1,600,000,000	400,000,000
-Issued, Subscribed and fully Paid up 3,60,10,108 Equity Shares of Rs.10/- each fully paid-up. with voting rights [Previous Year : 3,60,10,108 Equity Shares of Rs.10/- each] [Refer Point No. 1 & 2 of Note 27(II) "Notes to the Accounts"]	360,101,080	360,101,080
Total	360,101,080	360,101,080

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	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 2		
Reserve & Surplus		
Securities Premium		
Opening Balance	1,183,953,053	1,183,953,052
Add: Additions during the Year	-	-
Closing Balance (A)	1,183,953,053	1,183,953,052
Profit and Loss Account		
Opening Balance	1,052,429,999	849,212,553
Profit/(Loss) During The Year	(118,138,629)	203,217,446
Closing Balance (B)	934,291,370	1,052,429,999
Total (A) + (B)	2,118,244,423	2,236,383,051



Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 3		
Long-Term Borrowings		
[Also Refer Point No.3, 4 & 5 of Note 27(II) "Notes to the Accounts"]		
(A) Term Loans		
Secured		
1) SVC Bank	3,005,989	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.]		
2) KVB Bank	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.]		
Total (A)	293,022,641	3,005,989
(B) Other Loans & Advances:		
Secured		
1) Citi Bank Equity Home Loan	3,198,107	3,448,691
[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.]		
(2) City Home Finance Loan	9,173,723	9,117,126
[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 repayable in 180 Monthly installments beg. From 5/07/2009 with rate of interest of 13% p.a.]		
(3) Citi Home Finance Loan -159	-	360,531
[Nature of Security : Loan from bank are Secured against Flat No. 3 & 4, 2nd Avval Chambers, 61 Morland Road, Mumbai Central belonging to the Directors.		
[Terms of Repayment : Loan from bank are repayable in 36 monthly installments beginning from 21/05/2009 with Interest rate of 13% P.A.]		



(4) ICICI Bank Vehicle Loan [Nature of Security : Vehicle Loan from bank are Secured against BOLERO Car (RJ-14-UB-1834)]. [Terms of Repayments : Vehicle Loan are repayable in 48 Monthly Installments beginning Aug.10, 2007 along with Interest of 12.91% p.a.]	-	70,876
(5) Kotak Bank Vehicle Loan [Nature of Security : Vehicle Loan from bank are Secured against Honda City Car.] [Terms of Repayments : Loan are repayable in 35 Monthly Installments beginning Dec.12, 2009 along with Interest of 9.50% p.a.]	-	179,472
Total(B)	12,371,830	13,176,696
[C] Others :		
[1] Public Fixed Deposits (Unsecured)	65,215,000	48,443,000
[2] Loans & Advances from related parties (Unsecured) :		
1 Shaukat S. Tharadra	92,924,551	68,936,448
2. Abdulla K. Musla	6,278,775	-
Total(C)	164,418,326	117,379,448
Total (A+B+C)	469,812,797	133,562,133

Note : Installments falling due in respect of all the above Loans upto 31.03.2013 have been grouped under "Current maturities of long-term debt" under other current liabilities head. [Refer Note 7]

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note 4		
Other Long -Term Liabilities		
Other Liabilities	7,285,618	6,802,344
Total	7,285,618	6,802,344



Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 5		
Short-Term Borrowings		
Secured		
Loans Repayable On Demand		
1) Shamrao Vithal Co-op Bank Ltd	181,015,456	161,911,579
[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 other four directors of the company.]		
2) Karur Vysya Bank (CC A/c)	351,295,348	365,145,667
[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 other four directors of the company.]		
3) Bank of Baroda (CC/Od A/c)	4,891,090	-
[Loan from bank are secured against Fixed Deposits belonging to the company.]		
Total (A)	537,201,894	527,057,246
Unsecured -		
Loans Repayable On Demand		
From bank :		
KVB	-	232,000,916
SICOM	116,105,863	101,846,944
SIDBI	30,824,622	19,003,438
From Others :		
From IFCI Factors	120,242,748	-
Loans and advances from Related Parties	5,000,000	-
Inter Corporate Deposit	19,062,527	6,945,900
Other Loans & Advance	2,500,000	-
Total (B)	293,735,760	359,797,198
Total (A+B)	830,937,654	886,854,444



Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 6		
Trade Payables		
For Goods	383,712,288	703,466,121
Total	383,712,288	703,466,121

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 7		
Other Current Liabilities		
Current Maturities of Long-Term Debt	1,182,306	1,933,616
Statutory Dues	62,807,984	23,856,769
Other Payables	15,804,286	12,263,182
Total	79,794,576	38,053,567

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 8		
Short Term Provisions:		
Provision for Tax (Net of Advance Tax)	115,937,520	141,128,437
Total	115,937,520	141,128,437

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 9		
Non-Current Investments (Long Term Investments)		
Investment (Unquoted)		
Investments in Equity shares of :		
(i) The Shamrao Vithal Co-Op. Bank Ltd. 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)	100,000	100,000



(ii) The Saraswat Co-Op. Bank Ltd. 2,500 (2,500) Shares of Rs. 10/- each	25,000	25,000
(iii) The Kalyan Janta Sahakari Bank Ltd. 1,000 (1,000) Shares of Rs. 100/- each	100,000	100,000
Investments in government securities :		
(i) 6 Year National Saving Certificates - VIII Issue (Securities worth Rs.0.25 lakhs (Rs. 0.25 lakhs) have been pledged to Sales Tax department as a Security deposit for registration)	25,000	25,000
Total Aggregate amount of unquoted Investment (Rs.)	250,000	250,000

(Rupees)

(Rupees)

Particulars	As at 31st March 2012	As at 31st March 2011
Note - 10		
Long-Term Loans and Advances		
Unsecured Considered Good:		
Security Deposit	2,900,208	2,709,615
Total	2,900,208	2,709,615

(Rupees)

(Rupees)

Particulars	As at 31st March 2012	As at 31st March 2011
Note - 11		
Other Non- Current Assets (Residual Head)		
Unamortised Expenses	5,856,871	8,785,305
Total	5,856,871	8,785,305

Note : Amount of Unamortised Expenses (Brand Promotion) written off upto 31/03/2013 have been grouped under "Other Non- current Assets "head. [Refer Note11]

(Rupees)

(Rupees)

Particulars	As at 31st March 2012	As at 31st March 2011
Note - 12		
Inventories		
Raw Materials	73,294,966	253,028,125
Packing Material	10,215,015	12,846,362
Stock with Consignee	445,458	-
Finished Goods	76,803,700	181,767,696
Mode of Valuation- Refer Note No F. of Note 27)		
Total	160,759,139	447,642,183



Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 13		
Trade Receivables		
[Unsecured]		
Debts outstanding for a period exceeding six months		
- Considered good	1,542,274,618	1,430,572,146
Other Debts		
- Considered good	1,055,865,324	871,858,810
Total	2,598,139,942	2,302,430,956

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 14		
Cash and Cash Equivalents		
-Cash on Hand	767,863	549,488
Balance with Banks		
-In Current Accounts	1,338,293	10,405,377
-In Fixed Deposit Accounts	6,822,884	5,000,000
- L.C. Margin Money & Bank Guarantee	-	29,425,568
Total	8,929,040	45,380,433

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 15		
Short-Term Loans and Advances		
[Unsecured and Considered good]		
Advances recoverable in cash or in kind or for value to be received		
- Deposit	1,000,000	5,700,000
- Other	444,140,390	500,358,959
Prepaid Expenses	1,575	10,025
Advances to employees	764,998	1,307,421
Inter Corporate Deposits	95,770,822	94,120,822
Total	541,677,785	601,497,227



Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 16		
Other Current Assets (Residual Head)		
Interest Accrued	104,394	1,137,987
Unamortised Expenses	2,928,435	2,928,435
Total	3,032,829	4,066,422

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 17		
Revenue From Operations		
Indigenous Sales		
Manufactured/Traded Goods	3,412,968,677	4,694,556,106
Other Operating Revenues	905,875	248,229,071
Total	3,413,874,552	4,942,785,177

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 18		
Other Incomes		
Interest Income		
- from Banks	1,128,041	1,268,114
- from Loans & Advances	9,031,034	9,547,456
Dividend Income	32,000	62,025
Total	10,191,075	10,877,595

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 19		
Material consumed		
Opening Stock	265,874,487	207,714,952
Purchases	2,792,085,914	4,311,756,713
	3,057,960,401	4,519,471,665
Less: Closing Stock	83,509,981	265,874,487
Total Material consumed	2,974,450,420	4,253,597,178
Material Consumed Comprises of :		
Raw Material	2,924,006,731	4,124,682,947
Packing Material	50,443,689	128,914,231



Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 20		
Changes in Inventory of Finished goods		
Opening stock of Finished goods	181,767,696	131,562,833
Less: Closing Stock of Finished Goods	76,803,700	181,767,696
(Increase)/Decrease in inventories	104,963,996	(50,204,863)

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 21		
Other Mfg. Expenses		
Labour & Jobworks charges	11,016,936	9,371,368
Power, Fuel and Water charges	9,492,585	9,065,783
Freight and Octroi	14,190,940	22,905,224
Repairs & Maintenance of machinery	1,358,999	1,889,288
Refinery expenses	7,210,962	4,042,693
Miscellaneous expenses	3,191,688	1,856,880
Total	46,462,110	49,131,236

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 22		
Employee Benefit Expenses		
Salary, Bonus and Allowances	65,087,730	62,571,711
Workmen & Staff welfare	3,160,834	2,623,834
Contribution to PF & Others	5,068,892	4,097,954
Total	73,317,456	69,293,499

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 23		
Other Administrative and Selling Expenses		
Travelling & Conveyance	12,812,338	9,917,992
Postage & Communication	513,114	384,455
Insurance	368,711	1,151,049



Printing & Stationery	1,918,549	1,820,339
Rent, Rates & Taxes	13,067,483	19,849,497
Professional & Legal	7,780,991	12,557,997
<u>Repair & Maintenance</u>		
- Buildings	2,014,289	1,386,300
- Others	1,064,540	820,610
Motor Car expenses	2,794,396	2,418,086
Computer expenses	1,252,230	741,893
Electricity expenses	1,388,209	1,537,111
Bad debts written off	3,525,495	-
Telephone & Mobile expenses	2,239,388	2,747,614
Service Tax on Transport	206,742	528,146
ROC Filing & Listing Fees	18,650	8,555,819
Selling and Distribution	83,726,016	86,378,330
Auditors' Remuneration	551,500	551,500
Loss on sale of fixed Assets	-	25,911
Other Expenses	1,035,342	868,427
Total	136,277,984	152,241,076

Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
Note - 24		
Finance Cost		
Interest Expenses		
-on borrowings	129,308,030	79,437,169
-on others	16,807,578	24,789,041
Total	146,115,608	104,226,211



Depreciation as per Companies Act as on 31st March 2012

(Rupees)

Particulars										
	Opening Balance as on 01.04.11	Addition	Deletion	Closing Balance as on 31.03.12	For the year	Deletion	Closing Balance as on 31.03.12	Closing Balance as on 31.03.12	Closing Balance as on 31.03.12	Closing Balance as on 31.03.11
Tangible Assets:										
Land	21,997,858	-	-	21,997,858	-	-	-	21,997,858	21,997,858	
Factory Building	415,381,987	-	-	415,381,987	11,691,884	-	33,168,509	382,213,478	93,905,362	
Building-Leasehold	5,262,960	-	-	5,262,960	85,786	-	460,709	4,802,251	4,888,037	
Plant & Machinery	511,055,336	20,608,800	-	531,664,136	24,855,294	-	57,127,549	474,536,587	478,783,081	
Office Equipments	3,044,427	37,750	-	3,082,177	146,172	-	989,178	2,092,999	2,201,421	
Computers	7,600,108	5,659,452	-	13,259,560	1,740,968	-	6,470,492	6,789,068	2,870,584	
Furniture & Fixtures	19,636,210	-	-	19,636,210	1,245,752	-	7,268,148	12,368,062	13,613,814	
Trademark	5,555	-	-	5,555	-	-	5,555	-	-	
Vehicles	19,382,197	-	-	19,382,197	1,837,147	-	13,627,110	5,755,087	7,592,234	
Total	1,003,366,638	26,306,002	-	1,029,672,640	41,603,003	-	119,117,250	910,555,390	925,852,392	
Previous year	477,378,534	470,630,259	877,208	1,003,366,638	24,139,073	748,191	77,514,247	925,852,392	423,255,169	
Capital Work In Progress								211,116,347	226,114,560	

Note : 25

Cash Flow Statement For The Year Ended March 31, 2012



Particulars	(Rupees)	(Rupees)
	As at 31st March 2012	As at 31st March 2011
A. Cash Flow from Operating Activities		
Net Profit Before Tax and extra-ordinary items	(991.25)	3,512.39
Adjustments for:		
Depreciation	416.03	241.39
Loss on sale of Assets	-	0.26
Financial Costs	1,461.16	1,042.26
Dividend Income	(0.32)	(0.62)
Interest Income	(101.59)	(108.16)
Operating Profit before working capital changes	784.03	4,687.52
Adjustments for:-		
(Increase)/Decrease in Inventories	2,868.83	(1,083.64)
(Increase)/Decrease in Trade & other Receivables	(2,957.09)	(5,979.02)
(Increase)/Decrease in Other Current Assets	635.91	(5,179.39)
Increase/(Decrease) in Trade Payables	(2,770.47)	4,459.23
Cash Generated from Operations	(1,438.79)	(3,095.30)
Taxes (paid)/Refund	(251.91)	(762.14)
Net Cash from Operating Activities	(1,690.70)	(3,857.44)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets/WIP	(113.08)	(2,714.49)
Dividend Received	0.32	0.62
Interest Income	101.59	108.16
Sale/Deletion of fixed Assets	-	1.03
Net Cash used in Investing Activities	(11.17)	(2,604.68)
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowing	3,362.51	-
Proceeds from Short Term Borrowing	(559.17)	3,287.64
Loan & Advances	(4.83)	1,070.70
Finance Charges Paid	(1,461.16)	(1,042.26)
Net Cash Used from Financing Activities	1,337.35	3,316.08
Net decrease in Cash and Cash Equivalents(A+B+C)	(364.51)	(3,146.04)
Cash and Cash equivalents at the beginning of the year	453.80	3,599.84
Cash and Cash equivalents at the end of the year	89.29	453.80
	364.51	3,146.04

Note: The above Cash Flow Statement has been prepared in accordance with the requirement of Accounting Standard (AS) -3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For Agarwal Desai & Shah

Chartered Accountants

Firm Reg. No. 124850

RISHI SHEKHARI

Partner

M.No.126656

Place: Mumbai

Dated: 21st August,2012

For and on behalf of the Board

Shaukat S. Tharadra

Chairman & Managing Director

Azamkhan F. Lohani

Wholetime Director

Abdulla K. Musla

Wholetime Director



ACCOUNTING POLICIES AND NOTES TO ACCOUNT FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note - 26

(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:

- 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, 2012		As at 31st March, 2011	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Share Capital-Fully paid up with voting Rights:				
Opening Share Capital	360,101,08	360,101,080	360,101,08	360,101,080
Add : Issued during the year	-	-	-	-
Closing Share Capital	360,101,08	360,101,080	360,101,08	360,101,080

- 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, 2012		As at 31st March, 2011	
	No. of Shares held	In % of Holding	No. of Shares held	In % of Holding
1. Shaukat S. Tharadra	7,707,557	21.40	18,580,100	51.60
2. Sicom Ltd.	5,527,232	15.35	-	-
3. ACG Associated Capsules P. Ltd.	1,882,068	5.23	-	-
	15,116,857	41.98	18,580,100	51.60

- 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	30,05,989	Term Loan from bank are Secured by hypothecation of Plant & Machinery, Electric Equipments & Miscellaneous Assets belonging to 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.	KVB Bank	29,00,16,652	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	31,98,107	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	91,73,723	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	18,10,15,456	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.
2.	KVB Bank	35,12,95,348	Loan from bank are primarily secured against PariPassu Charge on Current Assets with SVC bank and 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 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 31/03/2012 :

- i) SVC Term Loan - Amounting Rs. 0.38 Crores
- ii) Public Deposits - Amounting to Rs. 0.75 Crores

(b) Amount of Short- Term Borrowings outstanding as on 31/03/2012 :

- i) SVC Loan (C/C) - Amounting Rs. 2.11 Crores
- ii) KVB Loan (C/C) - Amounting Rs.2.13 Crores
- iii) IFCI Factors (Bill Discounting) - Amounting Rs.12.02 Crores
- iv) SICOM (Bill Discounting) - Amounting Rs.11.61 Crores
- v) SIDBI (Bill Discounting) - Amounting Rs. 3.08 Crores
- vi) Inter-Corporate Deposit - Amounting Rs. 1.91 Crores

- 6. The company is in process with Edelweiss Assets Reconstruction Co. Ltd.(EARC) for restructuring of its debts from Banks and Financial Institutions to correct its working capital position and to reschedule its debts in line with projected potential earning.



7. The Shareholder of the Company on June 4, 2012 has approved the GDR issue upto 20 million USD or equivalent Indian rupee. On July 26, 2012 the Board of the Directors of the Company has approved and allotted 3,50,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 2.40/- i.e.@ Rs.12.40/-, underlying 7,00,000 GDR's. The Company has also received In - Principal listing approval from Bombay Stock Exchange Limited and National Stock Exchange Limited. The Securities underlying GDR does not have voting rights, until they are converted into Equity Shares of the Company.
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. 0.04 Crores).

12. Auditor's Remuneration :

	2011-12	2010-11
i. Audit fees	5,00,000	4,96,000
ii. Tax Audit fees	51,500	1,10,000
iii. In other capacity	-	28,000
Total	5,51,500	6,34,000

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	2011-12	2010-11
1	Shaukat S. Tharadra	Chairman and Managing Director	0.28	0.28
2	Rashid I Tharadra	Whole-time Director	0.08	0.08
3	Azamkhan. F. Lohani	Whole-time Director	0.08	0.08
4	Abdulla K Musla	Whole-time Director	0.08	0.08
5	Manavendra S. Gokhale	Chief Executive Officer	0.37	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.1.90 Crores (Rs.5.64 Crores) has been recognized in the Profit & Loss Account. The Deferred Tax Liability arises mainly due to the timing difference of depreciation claimed as per the books of account and the depreciation claimed under the Income tax Act, 1961.

16. Earnings Per Share.

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

At the year ended	31/03/2012	31/03/2011
Net Profit/(Loss) After Tax (Rs. In Crores)	(11.81)	20.32
Weighted average Number of Shares outstanding	36,010,108	36,010,108
Diluted weighted average no.of shares outstanding	36,010,108	36,010,108
Nominal Value of Equity Share (In Rs.)	Rs.10/-	Rs.10/-
Basic Earnings per Share (In Rs.)	Rs.(3.28)	Rs.5.64
Diluted Earnings per Share (In Rs)	Rs. (3.28)	Rs. 5.64

17. As stated in the prospectus the Initial Public Offering (IPO) proceeds have been utilized as per the object of the issue 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	16.98	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
	Total	114.00	114.00

18 Expenditure in Foreign Currency :

At the Year Ended	2011-12	2010-11
Consultany Fees	--	0.02 Crores

19. Public Deposit Accepted:

During the period Company has accepted 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 2012.

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

(Amt. in Lacs.)

Sl	Name of Bank	As at 31/03/2012	As at 31/03/2011	Maximum Balance outstanding during the year
i)	The Kalyan Janta Sahakari Bank Ltd.	0.03	0.58	1.29
ii)	The Thane Distrcit Co-Op Bank Ltd.	0.62	0.28	3.34
iii)	Mogaveera Co-Op Bank Ltd.	Nil	0.55	0.55

22. EMPLOYEE BENEFITS:

Disclosures pursuant to Accounting Standard -15 (Revised) "Employee Benefits"

(i) The company has recognized as an expenses in the profit and loss account as per Actuarial Valuation in respect of defined contribution plan Rs. 0.10 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 31.03.2012 Gratuity	Amount Rs. Period Ende 31.03.2011 Gratuity
B. Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	41,14,851	34,38,613
Interest cost	3,49,762	2,83,686
Current service cost	4,85,718	6,53,196
Benefits paid	-4,83,634	-4,83,636
Actuarial (gain) / losses on obligation	1,74,631	2,22,992
Closing defined obligation	46,41,329	41,14,851
C. Change in the fair value of plan asset		
Opening fair value of plan assets	32,22,046	26,13,644
Expected return on plan assets	2,89,750	2,09,092
Contributions by employer	4,78,435	8,10,952
Benefits paid	-4,83,634	-4,83,636
Actuarial gains/ (losses)	--	71,994
Closing fair value of plan assets	35,06,597	32,22,046



D. Actual return on plan assets:		
Expected return on plan assets	2,89,750	2,09,092
Actuarial gain / [loss] on plan assets	-	71,994
Actual return on plan asset	2,89,750	2,81,086
E. Amount recognized in the balance sheet:		
Fair value of plan Assets at the end of the year	35,06,597	32,22,046
Present Value of Benefit obligation as at the end of the Period	46,41,329	41,14,851
Funded/Unfunded Status	11,34,732	-8,92,805
Assets/(Liability) recognized in the Balance Sheet	-1134732	-8,92,805
F. (Income)/ Expenses recognized in the Profit & Loss Account Statement		
Current service cost	4,85,718	6,53,196
Interest cost on benefit obligation	3,49,762	2,83,686
(Expected Return on Plan Assets)	-2,89,750	-2,09,092
Net actuarial (gain)/ loss in the period	1,74,631	1,50,998
Net Benefit or expenses	7,20,362	8,78,788
G. Movement in net liability recognized in Balance Sheet		
Opening net liability	8,92,805	8,24,969
Expenses as above	7,20,362	8,78,788
Employer's contribution	-4,78,435	-8,10,952
(Assets)/ Liability recognized in the Balance Sheet	11,34,732	8,92,805
H. Principal actuarial assumptions as at Balance Sheet Date:		
Discount rate	8.50%	8.25%
[The rate of discount is considered based on market yield on Government Bond having currency and terms consistent with the currency and terms of the post employment benefit obligations]		
Expected rate of return on the plan assets	9.00%	8.00%
[The expected rate of return assumed by the insurance company is generally based on their Investment patterns as stipulated by the Government of India]		
Annual increase in salary cost	6.00%	5.00%
[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]		
I. The categories of plan assets as a % of total plan assets are Insurance Company	100.00%	100.00%



23. Contingent Liabilities

(a) Excise

Raj Oil Mills Ltd. Manufactures and markets pure coconut oil under the brands of Cocoraj, Cocotoss. Such Coconut Oil (CO) is a 100% natural product and meets all standards of edible oil as given in the Prevention of Food Adulteration Act. CO is currently classified under Excise as a vegetable oil under chapter 15 and attracts Excise at zero rate. CO classified under chapter 15 as vegetable oil has been vindicated by the decision of Appellate Tribunal on various occasions. However the Central Board Of Excise and Custom has recently issued instruction vide circular No.890/10/2009-CX dated 3rd June 2009 where in it has classified coconut oil packed in the container size upto 200ml as hair oil there by attracting Excise duty at applicable rates. The company has filled writ petition no. 1600J2009 with the Bombay High Court, Mumbai for interim relief hearing is pending for final disposal. The Honourable High Court vide order dated August 27, 2009 granted inteirm relief subjeti to certain conditions and restrained the department of Central Excise from recovering Central Excise. The company has received show cause notice dated March 15, 2010 from the office of the Comrnissioner of Central Excise, Thane, for Rs. 10.42 crores plus interest and penalty. The company has filed reply to the Department on 15th October 2010. The Comissioner of Central Excise, Thane, has passed an Order and issued Order in Original along with the demand note for the said amount. The Company has filled an Apeal against the said Order with the Central Excise and Custom and Service Tax Apellate Tribunal (CESTAT).

(b) 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 Apellate Tribunal, 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 Comissioner 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.

(c) Sales Tax

The Assistant Comissioner 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.

(d) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.8.95 Crores (Previous Year 6.29 Crores).

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 Statndard (AS) -18 "Related Party Disclosure" issued by The Insitute 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 II above	Parties referred in III above	Total	Outstanding in as on 31-03-2012 Debit / (Credit)
Unsecured Loan	2011-12	(3.03)	-	(3.03)	(9.92)
	2010-11	(5.26)	-	(5.26)	(6.89)
Sub-Let Rent	2011-12	0.89	-	0.89	-
	2010-11	0.96	-	0.96	-
Remuneration	2011-12	0.89	-	0.89	-
	2010-11	0.89	-	0.89	-
Contribution to	2011-12	-	0.05	0.05	-
Gratuity Funds	2010-11	-	0.09	0.09	-

Company has paid Rs.0.89 crores (Previous Period Rs.0.96 crores) to Mr. Shaukat S. Tharadra, as Rent for registered office building admeasuring approximate 8950 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 financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, Pre-Revised Schedule-VI to the Companies Act,1956. Consequent to the notification under the Companies Act,1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.



- 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.

As Per Our Report of Even Date attached:

For Agarwal Desai & Shah
Chartered Accountants
Firm Reg.No : 124850W

For and on behalf of Board of Directors

Shaukat S. Tharadra
Chairman & Managing Director

Rishi Shekhari
Partner

Azamkhan F. Lohani
Whole time Director

Abdulla K. Musla
Whole time Director

M. No.126656
Place: Mumbai
Date: 21st August, 2012



Additional information as required under part IV to the Companies Act, 1956
(Refer Point No. 23 of the Note No. 26 (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 2012		

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

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

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

Total Liabilities	4,443,218	Total Assets	4,443,218
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Sources of Funds

Share Capital	360,101	Reserves and Surplus	2,118,244
Share Application Money	-	Deferred Tax Liability	77,392
Secured Loans	844,029	Unsecured Loans	458,154

Application of Funds

Net Fixed Assets	1,121,672	Investments	250
Net Current Assets	1,902,157	Misc. Expenditure	5,857
Accumulated Losses	NIL		

IV. Performance of Company (Rs.in thousands)

Turnover/Total Income	3,413,875	Total Expenditure	3,523,191
Profit Before Tax	(99,125)	Profit after Tax	(118,139)
Earning Per Share in Rs. (Basic)	(3.28)	Dividend Rate (Per Share)	NIL
Earning Per Share in Rs. (Diluted)	(3.28)		

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



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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 10th Annual General Meeting of the Company to be held on Thursday, September 27, 2012 at 11.30 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.

Signed this _____ day of _____, 2012.

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 10th Annual General meeting of the Company to be held on Thursday, September 27, 2012 at 11.30 a.m. at _____, 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)



RAJ OIL MILLS LIMITED

Regd. Office: 224-230, Bellasis Road, Mumbai 400 008

Dear Shareholders,

We wish to inform you that the Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies (vide its Circular No. 17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011) and clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s).

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send henceforth all communications / documents including the Notice calling the Annual General Meeting, audited financial statements, directors' report, auditors' report etc. via electronic mode. In connection with the same, we request you to provide your latest/updated email address on which future communication/correspondence/documents can be sent to you. We would therefore, request you to kindly provide your e-mail address in the information slip below and send it to our Registrars, Big Share Services Pvt. Ltd., whose shares are registered under physical form. However, the shareholders who have not registered their e-mail ids and holding shares in demat mode are requested to register with their respective Depository Participants.

We look forward for your encouraging support in welcoming the "Green Initiative".

Thanking you,

Yours faithfully,

For **Raj Oil Mills Limited**

Sd/-

Shaukat Tharadra

Chairman & Managing Director

-----TEARHERE-----

Big Share Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai - 400072

Date:

Unit: Raj Oil Mills Limited

Name of shareholder :

No. of shares of Rs. 10/- of Raj Oil Mills Limited :

(DP ID - _____)

(Client ID _____)

Folio No. _____

My e-mail ID is -

Kindly register the aforesaid e-mail ID for receipt of documents by me in electronic mode.

Thanking you,

Yours Faithfully

(Signature)

एक नया इंडिया.
एक नया विश्वास.



KRUSHNAA PATIL
Youngest Indian woman
to climb Mt. Everest

कोकोराज नारियल तेल

BOOK-POST

To,



If undelivered please return to Regd. Office ...

RAJ OIL MILLS LTD.

Regd. Off.: 224, Bellasis Road, Mumbai - 400 008. • Tel.: 2302 1996 - 98 • Fax : 2301 5605.

Factory : Ten Village (Manor), Taluka-Palghar, Dist.-Thane (M.S.), Pin - 401 404.

Website : www.rajoilmillsltd.com