

10th Annual Report
March 2012



Bright future...

...Global Vision



Purity
everlasting
...as always



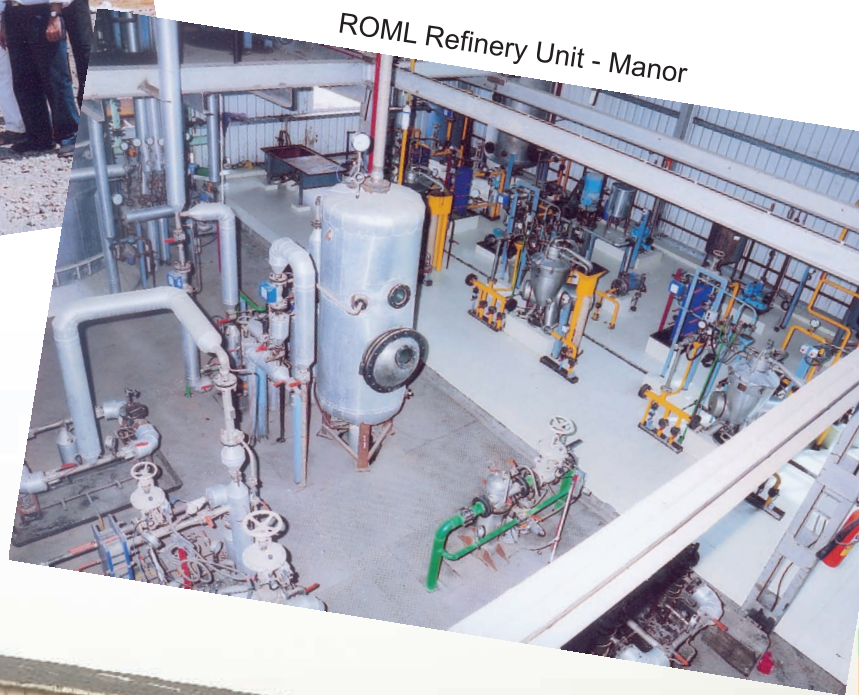
RAJ OIL MILLS LTD.
— Purity. Since 1943. —



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

Mohammed 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. Mohammed 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. Mohammed T. Singaporewala

Mr. Narotambhai V. Patel

Mr. Abdulla K. Musla

Status

Chairman (Independent Director)

Independent Director

Whole Time Director

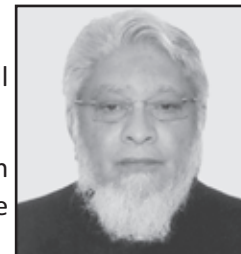


CHAIRMAN'S SPEECH

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 advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.
 - (b) Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID number, to their respective Depository Participants.
- (11) Members may avail 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