



RAJ OIL MILLS LTD.

———— Purity. Since 1943. ————

Eleventh Annual Report

2012 - 2013

Chairman and Managing Director

Shaukat S. Tharadra

Executive Directors

Azamkhan F. Lohani

Abdulla K. Musla

Rashid I. Tharadra

Non-Executive Directors

Mohammed T. Singaporewala

Narotambhai V. Patel

R. H. Balasubramanya

Dipakkumar Madia

Auditors

Statutory

M/s. B. M. Gattani & Co

Chartered Accountants

Bankers

The Shamrao Vithal Co. Op. Bank Ltd.

Karur Vysya Bank Limited

Plant Locations

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

Registered Office

224-230, Bellasis Road

Mumbai- 400008

Registrar and Transfer Agents

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate

Sakivihar Road, Saki Naka,

Andheri (East), Mumbai - 400072

Committees of the Board

Audit Committee

Name of the Director

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

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CHAIRMAN'S SPEECH

Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

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

Thanking You.

Shaukat S. Tharadra

Chairman & Managing Director

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

ORDINARY BUSINESS

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

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

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

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

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

Date: December 2, 2013
Place: Mumbai

Shaukat Tharadra
Chairman & Managing Director

NOTES

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

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

Date: December 2, 2013
Place: Mumbai

Shaukat Tharadra
Chairman & Managing Director

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

Item no. 5:

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

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

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

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

Item No. 6

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

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

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

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

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

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

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

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

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

Item No. 7

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

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

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

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

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

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

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

Item No. 8

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

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

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

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

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

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

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

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

Item No. 9

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

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

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

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

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

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

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

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

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

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

Date: December 2, 2013
Place: Mumbai

Shaukat Tharadra
Chairman & Managing Director

Raj Oil Mills Limited

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

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

DIRECTORS' REPORT

To The Members,

RAJ OIL MILLS LIMITED

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

FINANCIAL RESULTS

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

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

OPERATIONS

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

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

SHARE CAPITAL

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

ALLOTMENT DURING THE YEAR

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

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

DIVIDEND

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

FIXED DEPOSITS

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

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

INTERNAL CONTROL SYSTEM

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

DIRECTORS

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

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

CHIEF EXECUTIVE OFFICER

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- Appropriate accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March, 31, 2013 and loss of the Company for the year ended on that date.
- 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,
- The annual accounts have been prepared on a going concern basis.

EMPLOYEE STOCK OPTION PLAN (ESOP), 2011

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

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

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

AUDITOR & AUDITORS' REPORT

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

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

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

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

(a) Conservation of Energy

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

(b) Research and Development

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

(c) Technology absorption and Adaptation

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

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

(d) Foreign Exchange Earning and Outgo:

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

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

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

PARTICULARS OF EMPLOYEES

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

EMPLOYEE RELATIONS & HUMAN RESOURCES

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

COMPANY SECRETARY

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

COST AUDITOR

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

ACKNOWLEDGEMENTS

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

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

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

Place: Mumbai
Date: December 2, 2013

Shaukat S. Tharadra
Chairman & Managing Director