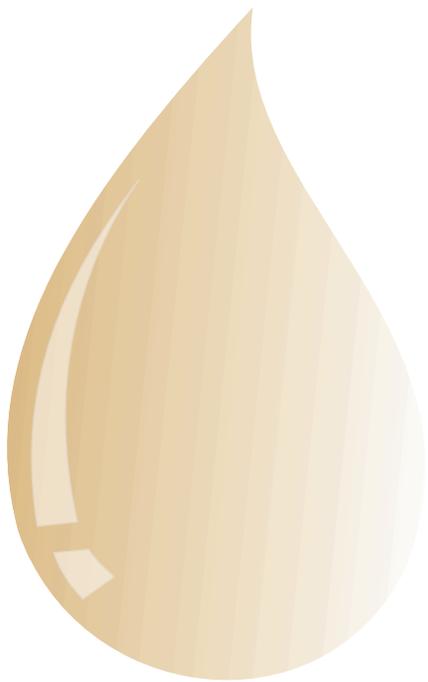




8th Annual Report
March, 2010



Purity...

Transformation ... with challenging growth.



purity is our philosophy

RAJ OIL MILLS LTD.
Purity. Since 1943.



Company Information

Chairman and Managing Director

Shaukat S. Tharadra

Executive Directors

Azamkhan F. Lohani

Abdulla K. Musla

Rashid I. Tharadra

Non – Executive Directors

Mohamedi T. Singaporewala

Narotambhai V. Patel

R. H. Balasubramanya

Sunil Mistry

Chief Executive Officer

Manavendra Gokhale

Company Secretary

Alok Desai

Auditors

Statutory

M. K. Gohel & Associates

Chartered Accountants

Internal

Kailash Chand Jain & Co.,

Chartered Accountants

Bankers

The Shamrao Vithal Co- Operative Bank Limited

State Bank of India

Plant Locations

- (1) Ten Village, Manor,
Palghar, Thane - 401404
- (2) F - 9, F – 10 RIICO,
Industrial Area of Bagru Kalan Extn – Phase II,
Jaipur, Rajasthan 303 007

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 - 400 072

Committees of the Board

Audit Committee

Name of the Director

Mr. Mohamedi T. Singaporewala

Mr. Narotambhai V. Patel

Mr. Abdulla K. Musla

Status

Chairman (Independent Director)

Independent Director

Whole Time Director

Remuneration Committee

Name of the Director

Mr. Mohamedi 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. Mohamedi T. Singaporewala

Mr. Narotambhai V. Patel

Mr. Abdulla K. Musla

Status

Chairman (Independent Director)

Independent Director

Whole Time Director



Chairman's Statement

It gives me great pleasure to greet all of you in our first annual report after the listing of our organization. It is yet another step in the direction of an upcoming, exhilarating and challenging period. Old milestones and goals having gone by, we have set ourselves new milestones to deliver during this financial year and further on. Our Company, a testament to a Sixty Year Old Brand Name has continued its presence and now after making its mark through the, Initial Public Offering of its Equity Shares, moves on to share its future growth and vibrant earnings with larger public in our country by quality performance and returns to the stakeholders. For me personally, the transition has been more than over four decades, which has been rewarding in terms of an experience as well as building long term relationships harbored by the changes in the business cycles and economy through these times.



On the business front, the Company has maintained its robust growth while delivering its IPO commitments through my team members on the Board. Further challenges and quantum growths are envisaged and into the implementation stages even as I speak through the team along with our CEO, all cohesively focused towards a common goal.

THE INDIAN ECONOMY AND THE OVERVIEW OF THE EDIBLE OIL SECTOR IN INDIA:

In midst of global slowdown, India was one of the few economies in the world to foster growth of more than 7% during the fiscal ended March 31, 2010. The Indian Economy showed tremendous commitment to growth in a challenging Global Scenario. This period is testimony to India's strong resilience aptly supported by higher consumption due to improved standard of living.

During the period under review, India's Edible Oil sector showed stable growth. The main attributes, which contributed to the growth of this sector, were:

- (a) Improvement in demand, fuelled by India's growing per capita consumption, which reflected in GDP for the year.
- (b) Conservative hedging and inventory policies, which insulated the industry from huge impact of the global downturn.
- (c) Raw Materials and increased Imports and
- (d) Better production efficiencies and logistics.

To address the growth in demand of edible oil, the government has reduced duties on crude edible oils. Integrated players which are present primarily in smaller oils segments like mustard, ground nuts, coconut, and to a lesser extent, soya, continue to exhibit stable margins.

NOTEWORTHY PERFORMANCE

Raj Oil Mills Limited continued its robust growth for the 15 month period ended on March 31, 2010. "GUINEA" and "COCORAJ", the Company's premium brands, were the major growth drivers through revenue generation.

The IPO funds were utilized for:

- (1) Setting up of Crushing unit of 200 TPD for Sesame and Mustard at Bagru, district Jaipur
- (2) Setting Up of Facilities at Manor
- (3) Margin Money for Working Capital Requirements
- (4) Other related activities

Your Company has successfully commenced commercial production at Rajasthan Plant. The commencement has helped the Company to increase its production capacities, consolidate its position in the market place and manufacture Mustard And Sesame Oils, thereby reducing its dependence on third party oil seeds crushers. Most important outcome being sustaining and maintain quality across the Markets.



The Company commenced setting up of its Manor Projects in the month of September 2009. The project has run into considerable delay due to changes in model features from lending vendors, fluctuations in steel prices, which delayed the implementation schedules by the contractors. As on date the Company has been able to complete 90% of the project and intends to achieve all certifications and start commercial production by October 2010.

OUTLOOK:

Our emphasis going forward will be to drive growth both organically and inorganically through an expansion in our product portfolio, expanding our reach and presence in target geographies and exploring our strategic opportunities. The Board has recommended an enabling resolution to the Shareholders, allowing us to raise equity/debt, at the ensuing Annual General Meeting. The money so raised shall be deployed in the best possible manner so as to maximize stakeholder value.

Our Financial Performance is encouraging and I believe we can become a dominant domestic player in the Edible Oil Industry through Brand creation and expansion of capacities.

I take this opportunity to thank all our employees, without whom these results would not have been possible. I also express gratitude towards all our consumers, suppliers and other business associates. To conclude, I would like to thank all our stakeholders for their constant support and encouragement, without whom we would not have reached where we are today.

Yours Sincerely,

Shaukat S. Tharadra

Chairman and Managing Director
Raj Oil Mills Limited



Message from the Chief Executive Officer

Transition... Transformation.... for Challenging Growth

My warm greetings to all associated and connected with the Raj Oil Mills Ltd family. It gives me great pleasure to share with you the Annual Report for the Period ended March 31, 2010 and bring you up-to-date on the road ahead.

Last period we had a strong growth of Rs. 461.96 crores up from Rs. 317.75 Crores in the previous year. Profits have been at Rs. 52 Crores despite the impact of insufficient rainfall last year on the overall crop yields.

An eventful year, which saw our IPO and the groundwork being laid for the movement forward. On all the critical and essential parameters the company was able to deliver thanks largely to a strong team effort from all colleagues in the company. My personal word of thanks to them is very much in order. Our associates in supply and in selling the product onwards and to the final customers a note of thanks for their support as well.

The world of Raj Oil Mills Ltd has increased manifold due to the activities of the last year. We now are on the path of transition and transformation setting some challenging targets for us.

We envision a rapid Challenging Growth in order to make the most of the opportunities within the countries and beyond its boundaries. The impetus would be to deliver numbers by both organic and inorganic strategies.

The transition process and the transformation processes have had their own share of pain, adaptation, critical internal self analysis for everyone in the company.

The 21st century philosophy of embracing rate of change and reorienting one's own self with the environment whilst coping a movement away from the comforting ways of doing business have had their impact.

Thankfully so it has been largely positive and doable.

This year should bring forth the metamorphosis of the company with Raj Oil Mills Ltd emerging with a lot of actions, which will be noted perceptibly.

A Wider Market Base, New and enhanced Product Offering, Logistical and Supply Chain developments intended to complete the transition to transform to the next level seamlessly are in implementation. Coupled with strong initiatives internally on settling down processes, building skills sets and talent acquisition for the next few years would be essential.

The company looks forward to developing Strong Corporate Visibility in the Marketplace and leverage the "COCORAJ" and "GUINEA" brands further. Product movement in additional market segments are expected to yield good revenues for the company.

The rainfall has been good and one expects strong crop yield and hopefully the ratios to per hectare yields will result in a more stable priceline in the markets. Impact on the realizations will be positive if we maintain current growth rates and /or surpass it, which is not unlikely.

Soyabean and Sunflower oil growths would be at a faster pace but will not offset the values on groundnut oil and mustard oil segment. Due inflationary pressures there might be some preference shifts but the company has the requisite action set in place to grow with it.

The strategic goals create further pressures, as we understand that we have plenty of competition out in the market place. The internal think tank now suitably reinforced with an open eye on strategic alliances, tie ups backed with a policy of détente and engagement of multiple types within India and outside will hopefully be sufficient to see us through our goals.





The activity of implementation of robust I.T infrastructure capable of scaling up keeping in mind the geographical spread of the company is also undertaken.

Another initiative which we intend to take up and complete is to get our company rated for Corporate Governance during the current year.

Measures to increase profits by managing cost centres and rationalise spending have been undertaken. All this should lead to good tidings for the Raj Oil Mills Ltd customers and stakeholders starting from tomorrow till the next year end.

The promises are many... to be delivered and to be enjoyed. Sharing the profitability and profits of the company with an enhanced base of company shareholders would be a happy event for us.

We seek to deliver in a manner which is befitting a corporate wanting to set new and responsible bench marks for itself this year and in the times to come.

I sign off for the moment seeking the blessings and well wishes of all who are and will likely get associated in the family of Raj Oil Mills Ltd

Thank You

With Warm Regards,
Manavendra S.Gokhale
Chief Executive Officer
Raj Oil Mills Limited



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Notice

NOTICE is hereby given that the Eight Annual General Meeting of the Members of **RAJ OIL MILLS LIMITED** will be held at Bhavan Kanji Khetsey Sabhagriha, Bhartiya Vidya Bhavan Kalakendra, Munshi Sadan, Kulapati K.M. Munshi Marg, Chowpatty, Mumbai – 400 007 on Thursday, the 30th September 2010 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the 15-month period ended 31st March 2010 together with Schedules and the Reports of Directors and Auditors thereon.
- (2) To appoint Mr. Azamkhan F. Lohani, as Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
- (3) To appoint Mr. Rashid I. Tharadra as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint M/s. Agarwal, Desai & Shah, Chartered Accountants, Mumbai, as Auditors of the Company from the conclusion of this Annual General Meeting and to fix their remuneration.

“RESOLVED THAT M/s Agarwal, Desai & Shah, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company in place of retiring Auditors, M/s M. K. Gohel & Associates, Chartered Accountants, Mumbai to hold office until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.”

SPECIAL BUSINESS

- (5) **To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as Ordinary Resolution.**

“RESOLVED THAT Mr. Sunil Mistry, who was appointed as Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office upto this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

- (6) **To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as Special Resolution.**

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) read with Schedule XIII thereto as amended upto date and all guidelines issued by the Central Government from time to time and subject to the approval by Shareholders of the company and such other approvals, as may be necessary, Mr. Shaukat S. Tharadra, be and is hereby appointed as Managing Director of the Company for a period of Three years with effect from October 1, 2010 on remuneration and perquisites as specified in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorized to alter amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Shaukat S. Tharadra within such guidelines or amendments as may be made to the Companies Act, 1956, and subject to such approvals as may be required.”

- (7) **To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as Special Resolution.**

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) read with Schedule XIII thereto as amended upto date and all guidelines issued by the Central Government from time to time and subject to the approval by Shareholders of the company and such other approvals, as may be necessary, Mr. Azamkhan F. Lohani, be and is hereby appointed as Whole Time Director of the Company for a period of Three years with effect from October 1, 2010 on remuneration and perquisites as specified in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorized to alter amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Azamkhan F. Lohani within such guidelines or amendments as may be made to the Companies Act, 1956, and subject to such approvals as may be required.”

- (8) **To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as Special Resolution.**



"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") read with Schedule XIII thereto as amended upto date and all guidelines issued by the Central Government from time to time and subject to the approval by Shareholders of the company and such other approvals, as may be necessary, Mr. Rashid I. Tharadra, be and is hereby appointed as the Wholetime Director of the Company for a period of Three years with effect from October 1, 2010 on remuneration and perquisites as specified in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorized to alter amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Rashid I. Tharadra within such guidelines or amendments as may be made to the Companies Act, 1956, and subject to such approvals as may be required."

(9) To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") read with Schedule XIII thereto as amended upto date and all guidelines issued by the Central Government from time to time and subject to the approval by Shareholders of the company and such other approvals, as may be necessary, Mr. Abdulla K. Musla, be and is hereby appointed as the Whole Time Director of the Company for a period of Three years with effect from January 1, 2011 on remuneration and perquisites as specified in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorized to alter amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Abdulla K. Musla within such guidelines or amendments as may be made to the Companies Act, 1956, and subject to such approvals as may be required."

(10) To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re- enactment thereof for the time being in force), the consent of the Company is hereby granted for the increase in the Authorized Share Capital of the Company from Rs. 40,00,00,000/- (Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/- (Rupees Ten) Each to Rs. 160,00,00,000/- (Rupees One Hundred and Sixty Crores Only) divided into 16,00,00,000 (Sixteen Crores) Equity Shares of Rs. 10/- (Rupees Ten) each only.

RESOLVED FURTHER THAT the existing Clause V (being Capital Clause) of the Memorandum of Association of the Company shall be substituted by the following new Clause "V"

- V. (a) The Authorized Share Capital of the Company is Rs. 160,00,00,000/- (Rupees One Hundred and Sixty Crores Only) divided into 16,00,00,000 (Sixteen Crores) Equity Shares of Rs. 10/- (Rupees Ten) each only
(b) The paid up capital of the Company shall be minimum of Rs. 5,00,000/- (Rupees Five Lakhs Only)"

(11) To consider and if thought fit, to pass with or without modification(s), the following resolution which will be proposed as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and any other laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) as may be applicable and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions of such statutory and/or regulatory authorities, including of the Stock Exchanges in terms of the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, as may be applicable, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the 'Board' which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution) and pursuant to the provisions of the SEBI Guidelines for Qualified Institutions Placement ("QIP") framed under Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any amendment / modification thereof for the time being in force (the " Regulations"), whether or not such Qualified Institutional Buyers ("QIB") are members of the Company, the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot in one or more placements/tranches to QIBs as defined in the Regulations, equity shares and/or fully convertible debentures and/



or partly convertible debentures and/or non-convertible debentures with warrants, and/or any securities (other than warrants), which are convertible into or exchangeable with equity shares at a later date (the "Securities") at such time or times as the Board may hereafter decide and at a price to be determined by the Board in accordance the Regulations, provided that the Issue Size of the Securities shall not exceed the limits as specified by the Regulations;

RESOLVED FURTHER THAT in accordance with the Regulations, a minimum of 10% of the Securities issued pursuant to said regulations shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof, then such minimum portion or part thereof may be allotted to other QIBs;

RESOLVED FURTHER THAT in accordance with the Regulations no allotment shall be made either directly or indirectly to any QIB who is a promoter or any person who is related to the promoters of the Company;

RESOLVED FURTHER THAT the "relevant date" under the Regulations for determination of minimum price for the issue of the Securities shall, in case of allotment of Equity Shares, be the date of Meeting in which the Board decides to open the proposed issue, and in case of allotment of eligible convertible securities, be either the date of Meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for equity shares, as may be decided by the Board. Provided that any such conversion/exchange shall occur not later than 60 (sixty) months from date of allotment of the Securities and that the securities shall not be sold by the allottee for a period of one year from the date of allotment, except on recognized stock exchange;

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint and enter into and execute all such arrangements/agreements, as the case may be, with any merchant bankers/advisors/registrar and all such agencies/intermediaries as may be required including payment to such agencies/intermediaries of commission, brokerage, fees, remuneration for their services and expenses incurred in relation to the issue of Securities and also to seek listing of such Securities on the Stock Exchanges where the Company's shares are listed;

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the mode and the terms of issue of Securities under the QIP and all equity shares allotted under or arising from such QIP will rank pari passu in all respects with the then existing equity shares of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose with power to the Board to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of proceeds including but without limitation to the creation, in such form and manner as may be required, of such mortgage/charge under Section 293(1)(a) of the said Act in respect of the aforesaid Securities either on pari passu basis or otherwise, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any officers/authorized representatives of the Company in such manner as they deem fit to give effect to this resolution."

(12) To consider and if thought fit, to pass with or without modification(s), the following resolution which will be proposed as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and any other laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) as may be applicable and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions of such statutory and/or regulatory authorities, including of the Reserve Bank of India and/or Stock Exchanges in terms of the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, as may be applicable, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the 'Board' which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution) the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot in any security including Global Depositary Receipts (GDRs), American Depositary Receipts (ADRs) convertible into equity shares, preference shares whether cumulative / redeemable / convertible at the option of the Company and / or the option of the holders of the security and / or securities linked to equity shares / preference shares and /or any other instrument or securities representing convertible securities such as Foreign Currency Convertible Bonds (FCCBs), debentures or warrants convertible or like instruments



of a type issued in international jurisdictions in offerings of this nature, whether convertible into or exchangeable with depositary-receipts for underlying equity shares/ equity shares /preference shares, (the "Securities") to be subscribed by foreign/domestic investors/ institutions and/or corporate bodies/entities including mutual funds, banks, insurance companies and / or individuals or otherwise, whether or not such persons/entities/investors are members of the Company whether in one or more currency, such issue and allotment to be made at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion think fit, in consultation with the lead managers, underwriters, advisors or other intermediaries provided that the issue of Securities as aforesaid provided that the Issue Size of the Securities shall not exceed the limits as specified by the Regulations;

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Securities may have all or any terms or combination of terms including conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever, and all such other terms as are provided in securities offerings of this nature including terms for issue of the Securities or variation of the conversion price of the Securities during the duration of the Securities;

RESOLVED FURTHER THAT the "relevant date" for pricing of the Securities, under the GDR/ADR/FCCB or any other mode shall be as per the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depositary Receipt Mechanism) Scheme, 1993 for the time being in force, will be the date thirty days prior to the date of the holding of the general meeting at which this resolution is considered and approved;

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint and enter into and execute all such arrangements/agreements, as the case may be, with lead managers, managers, underwriters, bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other aforesaid intermediaries in such offerings of Securities and to remunerate all such agencies/ intermediaries as may be required including the payment to such agencies/ intermediaries of commission, brokerage, fees, remuneration for their services or the like and expenses incurred in relation to the issue of Securities and also to seek the listing of such Securities on one or more stock exchanges, including international stock exchanges, wherever permissible;

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into any arrangement with any agency or body for the issue of Securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the domestic and/or international practice and regulations, and under the norms and practices prevalent in securities markets in overseas jurisdictions;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose with power to the Board to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of proceeds including but without limitation to the creation of such mortgage/charge under Sec. 293(1)(a) of the said Act in respect of the aforesaid Securities either on pari passu basis or otherwise, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any officers/authorized representatives of the Company in such manner as they deem fit to give effect to this resolution."

Registered Office:

224 - 230 Bellasis Road
Mumbai 400008

Date: September 3, 2010

Place: Mumbai

By Order of the Board

Abdulla K. Musla

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 48 hours before the time fixed for the Meeting.
- (2) An Explanatory Statements pursuant to 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 Thursday, the 23rd of September 2010 to Thursday, the 30th day of September, 2010 (both days of 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 copies 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, Messrs Bigshare Services Private Limited details of such folios 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:-
 - (i) Change in residential status on return to India for permanent settlement.
 - (ii) 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.
 - (iii) 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 nominations 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, Messrs Bigshare Services Private Limited.
- (9) Re-appointment of Directors: At the ensuing Annual General Meeting,
 - (i) Mr. Azamkhan F. Lohani and Mr. Rashid I. Tharadra retire by rotation and being eligible offer themselves for re-appointment
 - (ii) Mr. Sunil Mistry is to be appointed as Director under Section 257 of the Companies Act, 1956.
 - (iii) Mr. Shaukat S. Tharadra, to be re-appointed as Managing Director of the Company.
 - (iv) Mr. Azamkhan F. Lohani, Mr. Rashid I. Tharadra and Mr. Abdulla K. Musla, to be re-appointed 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 in the statement on Corporate Governance provided elsewhere in the Annual Report.
- (10) A special notice in terms of Section 190 of the Companies Act, 1956, has been received under Section 225 (1) from a Member proposing the appointment of M/s Agarwal, Desai & Shah, Chartered Accountants, Mumbai, as Auditors of the Company, in place of M/s M. K. Gohel & Associates, Chartered Accountants, Mumbai, the retiring Auditors of the Company. The retiring auditors of the Company have no representation to make for notification to the Members of the Company relating to special notice.

Registered Office:

224 - 230 Bellasis Road
Mumbai 400008

Date: September 3, 2010
Place: Mumbai

By Order of the Board

Abdulla K. Musla
Director



EXPLANATORY STATEMENTS PURSUANT TO PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item no. 5

The Board of Directors of the Company appointed Mr. Sunil Mistry as Additional Director of the Company on May 31, 2010. He is a Member of the Institute of Chartered Accountants on India.

In Accordance with the provisions of Sections 260 of the Companies Act, 1956, the term of Mr. Sunil Mistry as the Additional Director would expire on the forthcoming Annual General Meeting. Notice for his candidature as Director has been received from a Member of the Company, with a deposit of Rupees Five Hundred in terms of Provisions of Section 257 of the Companies Act, 1956. He may be appointed as Director at the ensuing Annual General Meeting.

The Board of Directors recommends the proposed resolution for your approval. None of Directors, except Mr. Sunil Mistry, are interested in the said resolution.

Item No. 6

The Members of Raj Oil Mills Limited, at their Extra Ordinary General Meeting held on October 25, 2007 had appointed Mr. Shaukat S. Tharadra as Managing Director of the Company for a period of three years with effect from October 1, 2007.

The tenure of Mr. Shaukat S. Tharadra as Managing Director of the Company expires on September 30, 2010.

The Board of Directors of the Company, at their meeting held on September 3, 2010, have recommended the re-appointment of Mr. Shaukat S. Tharadra, as Managing Director of the Company, for a period of three years with effect from October 1, 2010 subject to the approval in General Body meeting and other necessary approvals as may be required.

Mr. Shaukat S. Tharadra is of 65 years age. Mr. Shaukat Tharadra started his career in the year 1966 as an Oil Trader and Manufacturer. He carries vast industrial experience of more than four decades in the edible oil industry. He has requisite experience and is competent to shoulder this responsibility.

The remuneration and other terms and conditions of his appointment are as under:

- (a) Basic salary upto Rs. 1,00,000/- (Rupees One Lac Only) per month, with such annual increase as the Board/Committee of Directors may decide from time to time.
- (b) Other Allowances / Statutory Payments upto Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per month with such increase as the Board/ Committee of Directors may decide from time to time.
- (c) Apart from above mentioned remuneration, he shall be entitled to -
 - (i) Medical Expenses actually and properly incurred for him and his family.
 - (ii) Entertainment expenses actually and properly incurred by him in the course of legitimate business of our Company.
 - (iii) Personal Accident Insurance Policy.
 - (iv) Provision for use of car and telephone for both official and personal use.
 - (v) Group Insurance Policy as per the rules of our company
- (d) The Salary and Perquisites as mentioned above shall be exclusive of -
 - (i) Contribution to Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity as per the rules of our Company.
 - (iii) Leave as per the rules of our Company including encashment of leave at the end of the tenure.

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 recommends the proposed resolution for your approval. None of Directors, except Mr. Shaukat S. Tharadra are 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 Extra Ordinary General Meeting held on October 25, 2007 had appointed Mr. Azamkhan F. Lohani as Whole Time Director of the Company for a period of three years with effect from October 1, 2007.

The tenure of Mr. Azamkhan F. Lohani as Whole Time Director of the Company expires on September 30, 2010.

The Board of Directors of the Company, at their meeting held on September 3, 2010, have recommended the re-appointment



of Mr. Azamkhan F. Lohani, as Whole Time Director of the Company, for a period of three years with effect from October 1, 2010 subject to the approval in General Body meeting and other necessary approvals as may be required.

Mr. Azamkhan F. Lohani is of 61 years age. Mr. Azamkhan F. Lohani started his career in year 1968 as an Administrative Assistant to Mr. Shaukat S. Tharadra. He carries vast experience of about four decades in General Administration. He has requisite experience and is competent to shoulder this responsibility.

The remuneration and other terms and conditions of his appointment are as under:

- a) Basic salary upto Rs. 45,000/- (Rupees Forty Five Thousand Only) per month, with such annual increase as the Board/ Committee of Directors may decide from time to time.
- b) Other Allowances / Statutory Payments upto Rs. 30,000/- (Rupees Thirty Thousand Only) per month with such increase as the Board/ Committee of Directors may decide from time to time.
- c) Apart from above mentioned remuneration, he shall be entitled to -
 - (i) Medical Expenses actually and properly incurred for him and his family.
 - (ii) Entertainment expenses actually and properly incurred by him in the course of legitimate business of our Company.
 - (iii) Personal Accident Insurance Policy.
 - (iv) Provision for use of car and telephone for both official and personal use.
 - (v) Group Insurance Policy as per the rules of our company
- d) The Salary and Perquisites as mentioned above shall be exclusive of -
 - (i) Contribution to Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity as per the rules of our Company.
 - (iii) Leave as per the rules of our Company including encashment of leave at the end of the tenure.

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 recommends the proposed resolution for your approval. None of Directors, except Mr. Azamkhan F. Lohani, are 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.8

The Members of Raj Oil Mills Limited, at their Extra Ordinary General Meeting held on October 25, 2007 had appointed Mr. Rashid I. Tharadra as Whole Time Director of the Company for a period of three years with effect from October 1, 2007.

The tenure of Mr. Rashid I. Tharadra as Whole Time Director of the Company expires on September 30, 2010.

The Board of Directors of the Company, at their meeting held on September 3, 2010, have recommended the re-appointment of Mr. Rashid I. Tharadra as Whole Time Director of the Company, for a period of three years with effect from October 1, 2010 subject to the approval in General Body meeting and other necessary approvals as may be required.

Mr. Rashid I. Tharadra is of 48 years age. Mr. Rashid I. Tharadra started his career in year 1994. He carries total experience of more than 15 years in Edible Oil Industry especially in planning of Production Strategies. He has requisite experience and is competent to shoulder this responsibility.

The remuneration and other terms and conditions of his appointment are as under:

- a) Basic salary upto Rs. 45,000/- (Rupees Forty Five Thousand Only) per month, with such annual increase as the Board/ Committee of Directors may decide from time to time.
- b) Other Allowances / Statutory Payments upto Rs. 30,000/- (Rupees Thirty Thousand Only) per month with such increase as the Board/ Committee of Directors may decide from time to time.
- c) Apart from above mentioned remuneration, he shall be entitled to -
 - (i) Medical Expenses actually and properly incurred for him and his family.
 - (ii) Entertainment expenses actually and properly incurred by him in the course of legitimate business of our Company.
 - (iii) Personal Accident Insurance Policy.
 - (iv) Provision for use of car and telephone for both official and personal use.



- (v) Group Insurance Policy as per the rules of our company
- (d) The Salary and Perquisites as mentioned above shall be exclusive of -
 - (i) Contribution to Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity as per the rules of our Company.
 - (iii) Leave as per the rules of our Company including encashment of leave at the end of the tenure.

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 recommends the proposed resolution for your approval. None of Directors, except Mr. Rashid I. Tharadra, are 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 Extra Ordinary General Meeting held on October 25, 2007 had appointed Mr. Abdulla K. Musla as Whole Time Director of the Company for a period of three years with effect from January 1, 2008.

The tenure of Mr. Abdulla K. Musla as Whole Time Director of the Company expires on December 31, 2010.

The Board of Directors of the Company, at their meeting held on September 3, 2010, have recommended the re-appointment of Mr. Abdulla K. Musla as Whole Time Director of the Company, for a period of three years with effect from January 1, 2011 subject to the approval in General Body meeting and other necessary approvals as may be required.

Mr. Abdulla K. Musla is of 50 years age. Mr. Abdulla K. Musla started his career in year 1978 as a Finance Assistant to Mr. Shaukat S. Tharadra. He carries about three decades experience in Accounts and Finance field. He has requisite experience and is competent to shoulder this responsibility.

The remuneration and other terms and conditions of his appointment are as under:

- a) Basic salary upto Rs. 45,000/- (Rupees Forty Five Thousand Only) per month, with such annual increase as the Board/ Committee of Director may decide from time to time.
- b) Other Allowances / Statutory Payments upto Rs. 30,000/- (Rupees Thirty Thousand Only) per month with such increase as the Board/ Committee of Directors may decide from time to time.
- (c) Apart from above mentioned remuneration, he shall be entitled to -
 - (i) Medical Expenses actually and properly incurred for him and his family.
 - (ii) Entertainment expenses actually and properly incurred by him in the course of legitimate business of our Company.
 - (iii) Personal Accident Insurance Policy.
 - (iv) Provision for use of car and telephone for both official and personal use.
 - (v) Group Insurance Policy as per the rules of our company
- (d) The Salary and Perquisites as mentioned above shall be exclusive of -
 - (i) Contribution to Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity as per the rules of our Company.
 - (iii) Leave as per the rules of our Company including encashment of leave at the end of the tenure.

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

The Board of Directors recommends the proposed resolution for your approval. None of Directors, except Mr. Abdulla K. Musla, are 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.10

The Authorized Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/- (Rupees Ten) Each and is proposed to be increased to Rs. 160,00,00,000/- (Rupees One Hundred and Sixty Crores Only) divided into 16,00,00,000 (Sixteen Crores) Equity Shares of Rs. 10/- (Rupees Ten) each only.

The Proposed Increase in the Authorized Share Capital of the Company is to accommodate the issue of further shares.



The Board of Directors recommends the proposed resolution for your approval. None of Directors are interested in the said resolution except to the extent of their shareholding in the Company.

Item No.11 &12

To achieve over-all objective of sustained growth and wealth maximisation, the Company requires funds in order to part finance backward integration, acquisitions of production facilities, inorganic and organic business plans, brand initiatives including acquisition of brands, capital expenditures, working capital purposes and general operational and corporate needs of the Company from time to time.

Considering the funding needs, it is proposed to offer, issue and allot, equity shares and / or other equity linked securities and / or securities convertible into equity shares, at later date, and / or Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or Foreign Currency Convertible Bonds (FCCBs) and / or Qualified Institutions Placement (QIP), up to a sum not exceeding the limits fixed by applicable regulations in one or more tranches on such terms and conditions as the Board may decide, subject to compliance of the applicable laws, rules and regulations.

In terms of the requirements of Section 81(1 A) of the Companies Act, 1956, the said offer and issue of equity shares and / or securities with conversion option for converting the said securities into equity shares would require consent and approval of the shareholders of the Company. In terms of Section 293 (1)(a) of the Companies Act, 1956 the approval of shareholders of the Company is also solicited for creation of charge/mortgage over assets of the Company, if necessary for the purpose.

None of the Directors of the Company is, in any way, concerned or interested in the resolution except in the capacity of the Shareholder(s) of the Company

Registered Office:

224 - 230 Bellasis Road
Mumbai 400008

Date: September 3, 2010

Place: Mumbai

By Order of the Board

Abdulla K. Musla
Director



Management Discussion and Analysis

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.

Global Scenario of Edible Oil Industry.

India is the one of the largest consumer and importer of edible oil in the world, next only to China and the US. India imports palm oil mainly from Malaysia and Indonesia and soyabean oil from Argentina and Brazil. While the US has a strong domestic consumption base and mostly exports soyabean seeds in addition to oil, Argentina and Brazil exports much of their production, mostly in the form of crude oil. China and India, though being producers themselves, import soyabean seeds and its derivatives to cater to their expanding consumer base. While China imports both soyabean seeds and oil, India allows only imports of oil.

Crude Palm Oil (CPO), Crude Palmolein, RBD (refined, bleached, deodorized) Palm Oil, RBD Palmolein and Crude Palm Kernel Oil (CPKO), Crude Soya Oil and Refined Soya Oil are the various edible forms of oil traded. Soyabean Oil is the leading vegetable oil traded in the international markets, next only to palm. Palm and Soyabean oils together constitute around 68% global edible oil trade volume, with soyabean oil constituting 22.85%. India’s per capita consumption of edible oil is at approximately 11 kgs a year with China at 18 kgs and North America at 34 kgs compared with world average of 20 kgs.

Demand for oilseeds is driven by increase in human consumption and rise in use of animal feed and other ancillary applications (soaps, detergents, etc). In India, production of oilseeds has been rising while on a global level it has been declining, particularly in the US where there is diversion towards corn production.

Indian Edible Oil Industry

The size of the Indian oilseeds-based sector is estimated at US\$ 16.5 billion (inclusive of exports and imports). India is the world’s fourth largest vegetable oil economy.

Groundnut, mustard/rapeseed, sesame, safflower, linseed, nigerseed/castor are the major traditionally cultivated oilseeds. Soyabean and sunflower have also assumed importance in recent years. Coconut is most important amongst the plantation crops. Efforts are being made to grow palm oil in Andhra Pradesh, Karnataka, Tamil Nadu in addition to Kerala and Andaman & Nicobar Islands. Among the non-conventional oils, ricebran oil and cottonseed oil are the most important. In addition, oilseeds of tree and forest origin, which grow mostly in tribal inhabited areas, are also a significant source of oils.

Each year, India consumes around 12.0 to 12.5 million tonnes of various edible oils. Although edible oils are widely consumed, the per capita consumption is around 11 kgs a year, considerably lower as compared to most developed countries. Palm oil (mainly imported) and Soybean Oil account for almost half of India’s total edible oil consumption, followed by Mustard Oil, Groundnut Oil, Cottonseed Oil, Rice Bran Oil and Sunflower seed Oil. With steady growth in population and their personal disposable incomes, Indian per capita consumption of edible oil has been rising steadily. However, oilseeds output and, in turn vegetable oil production, have been trailing consumption growth, necessitating imports to meet supply shortfall.

Per capita consumption of edible oils (11 kilograms) is low, but rising gradually; Extreme skew in consumption among sections of population - top 10 per cent consumes over 20 kgs per capita and bottom 30 per cent consumes less than 5 kgs per capita - needs correction. There is strong regional preference for “first press” oil with natural flavour – for example: Mustard, Groundnut, Coconut oils. There is a rising dependence on imports - currently imports constitute 40/45 per cent of consumption.

India is a vast country and inhabitants of several of its regions have developed specific preference for certain oils largely depending upon the oils available in the region. For example, people in the South and West prefer groundnut oil while those in the East and North use mustard/rapeseed oil. Likewise several pockets in the South have a preference for coconut and sesame oil. Inhabitants of northern plain are basically hard fat consumers and therefore, prefer Vanaspati, a term used to denote a partially hydrogenated edible oil mixture. Vanaspati has an important role in our edible oil economy. Its production is about 1.2 million tonnes annually. It has around 10% share of the edible oil market. It has the ability to absorb a heterogeneous variety of oils, which do not generally find direct marketing opportunities because of consumers’ preference for traditional oils such as groundnut oil, mustard oil, sesame oil etc.



Of late, things have changed. Through technological means such as refining, bleaching and deodorization, all oils have been rendered practically colourless, odourless and tasteless and therefore, have become easily interchangeable in the kitchen. Newer oils which were not known before they have entered the kitchen, like those of cottonseed, sunflower, palm oil or its liquid fraction (palmolein), soyabean and rice bran. The share of raw oil, refined oil and Vanaspati in the total edible oil market is estimated at 35%, 55% and 10% respectively.

Initial Public Offering and the Status of Projects:

Raj Oil Mills Limited was listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited on August 12, 2009 through the successful completion of the Initial Public Offering of its Equity Shares in July 2009.

The Company was able to raise Rs. 114 Crores through its Initial Public Offering to broadly achieve the following Objectives:

- (1) Setting up of Crushing unit of 200 TPD for Sesame and Mustard at Bagru, district Jaipur
- (2) Setting Up of Facilities at Manor
- (3) Margin Money for Working Capital Requirements
- (4) Miscellaneous and Other Projects

Setting up of Crushing unit of 200 TPD for Sesame and Mustard at Bagru, district Jaipur:

The main intent of setting up of Mustard and Sesame Crushing Unit at Jaipur was:

- (a) To have access to major Mustard Seed Trading Centres in the Country viz., Jaipur, Hapur, SriGanganagar and Alwar in Rajasthan.
- (b) To achieve Manufacturing and stronger Sales Presence in the Mustard Belt of India
- (c) To penetrate Markets in North and Eastern India through Competitive Pricing

The Company has successfully commenced Commercial Production of its plant located at Bagru, district Jaipur. The commencement has helped the Company to increase its production capacities, consolidate its position in the market place, diversify itself into manufacturing other products and reduce its dependence on third party oil seeds crushers. The completion of the project has helped the company to be in a better position to offer a wide product range and complete value chain in edible oil and have better access to North and East Indian Markets.

The completion of the Jaipur Project has helped the Company to take first steps towards becoming an Unique Player in Indian Edible Oil Industry to offer diversified product range. The reduction of overheads, mainly transportation and storage, has helped the Company in penetrating the rural markets of Rajasthan, where unorganized sector still rules the roost, with Competitive Prices.

The Company commenced setting up of its Manor Projects in the month of September 2009. The project has run into considerable delay due to changes in model features from leading vendors, fluctuations in steel prices, which delayed the implementation schedules by the contractors. As on date the Company has been able to complete 90% of the project and intends to achieve all certifications and start commercial production by October 2010.

Opportunities and Threats

As your Company gets into aggressive growth, it is exposed to an increasing degree of risks. These risks can adversely impact the functioning of the Company through their effect on operating performance, cash flows, financial performance, management performance and hence overall sustainability of the Company.

The risks that may affect the functioning of the Company are Economic conditions, Inflationary pressures and other factors affecting demand for our products, increasing costs of raw material, transport and storage, Supplier and distributor relationships and retention of distribution channels Competitive market conditions, New Entrants to the market, Labour shortages and attrition of key staff, Compliance and regulatory pressures including changes to tax laws, Seasonal Fluctuations, Political risks associated with unrest and instability . Your Company is well positioned to accelerate its Growth

Internal Control Systems and their Adequacy:

An Audit Committee of the Board has been constituted as per the provisions of Section 292A of the Companies Act, 1956 and Corporate Governance requirements specified by 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, wherever necessary.

Analysis of Financial Conditions and Result 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 we believe our human resources to be prestigious asset. With their sustained, determined and able work efforts we were able to cruise smoothly through the hard time of the economic meltdown.

The company is also determined to enhance their skill sets and competency by providing them learning opportunities on the job as well as off the job. They have been sent to attend training programs related to their domain.

By creating conducive environment for career growth, company is trying to achieve the maximum utilization of employee's skills in the most possible way. We also identify and encourage our potential employees to acquire new skill sets, which can help them in their career progression under our succession policy. Incentives, Regular appraisals and focus driven performance indicators have helped effective and efficient use of our workforce.

The company enables its employee to get to know new work profile by inter departmental movement. The company also believes in recognizing and rewarding employees to boost their morale and enable to achieve their maximum potential.

Revenue from Business

During the period under review, the sales of the Company increased to Rs. 461.96 Crores from Rs. 317.75 Crores, recorded for the Financial Year ended December 31, 2008. During the same period, Profit before Tax increased to 52.35 Crores from 45.29 Crores recorded for the Financial Year ended December 31, 2008



CORPORATE GOVERNANCE REPORT

(A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures fairness in all its transactions in widest sense and meet up its stakeholders aspirations and societal expectations.

The Company has inherited legacy of social responsibility, good citizenship, spriteness, 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 societies at large.

(B) BOARD OF DIRECTORS:

(i) Composition and Provisions as to the Board:

The Board should have an optimum combination of Executive and Non - Executive Directors with not less than fifty percent of the Board of Directors comprising of non-executive directors. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors. Provided that where the non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors.

(ii) 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.

The Board of Directors of Raj Oil Mills Limited (ROML) consists of eight Directors with a fair representation of executive, non-executive and independent Directors. The Chairman being an Executive Director, as per the Listing Agreement, the Company has four independent Directors on the Board.

There are no Nominee Directors on the Board of the Company. Mr. Sunil Mistry, an Independent Director, was appointed on the Board as an Additional Director on May 31, 2010. His appointment is to be regularized at the ensuing Annual General Meeting of Company. The Details of the Directors retiring by rotation are provided in the Notice to the Annual General Meeting.

**(iii) Composition and Category of Directors**

Name of the Director	Category
Shaukat S. Tharadra	Executive and Promoter
Azamkhan F. Lohani	Executive and Non – Independent
Abdulla K. Musla	Executive and Non – Independent
Rashid I. Tharadra	Executive and Non – Independent
Mohamedi T. Singaporewala	Non - Executive and Independent
Narotambhai V. Patel	Non - Executive and Independent
R.H. Balasubramanya	Non - Executive and Independent
B.V. Ratanghayra ¹	Non - Executive and Independent
Sunderji Gosar ²	Non - Executive and Independent
Sunil Mistry ³	Non - Executive and Independent

- (1) Mr. Bhimji V. Ratanghayra, a Non – Executive Independent Director resigned from the Board on October 5, 2009.
- (2) Mr. Sunderji Gosar, a Non – Executive Independent Director was appointed as Additional Director of the Company by the Board at its Meeting held on December 14, 2009. Mr. Sunderji Gosar has resigned from the Board on May 18, 2010.
- (3) Mr. Sunil Mistry, a Non – Executive Independent Director was appointed as an Additional Director of the Company by the Board at its Meeting held on May 31, 2010.

(iv) BOARD MEETINGS:

The board shall meet at least four times a year, with a maximum time gap of four months between any two meetings.

The Board of Directors of Raj Oil Mills Limited held fourteen meetings during the 15 Month period ended March 31, 2010 on January 14, 2009, February 7, 2009, April 8, 2009, June 17, 2009, June 29, 2009, July 1, 2009, July 9, 2009, July 27, 2009, July 28, 2009, August 4, 2009, October 5, 2009, October 30 2009 December 14, 2009 and January 29, 2010. The maximum gap between any two board meetings during the year was 69 days.

(v) Information supplied to the Board:

Among others, this includes:

- (1) Annual operating plans and budgets and any updates.
- (2) Capital budgets and any updates.
- (3) Quarterly results for the company and its operating divisions or business segments.
- (4) Minutes of meetings of audit committee and other committees of the board.
- (5) The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- (6) Show cause, demand, prosecution notices and penalty notices, which are materially important
- (7) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- (8) Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- (9) Any issue, which involves possible public or product liability claims of substantial nature, including any judgement 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.
- (10) Details of any joint venture or collaboration agreement.
- (11) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.



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

(vi) The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the fifteen-month period ended March 31, 2010 was as follows:

Name of the Director	Category	Attendance at		Directorships in Other Companies	Membership in Committees of Other Companies
		Board Meetings	Last AGM		
Shaukat S. Tharadra	Chairman and Managing Director	14	YES	NIL	NIL
Azamkhan F. Lohani	Whole Time Director	14	YES	NIL	NIL
Abdulla K. Musla	Whole Time Director	14	YES	NIL	NIL
Rashid I. Tharadra	Whole Time Director	14	YES	NIL	NIL
Bhimji V. Ratanghayra ¹	Non Executive Independent Director	2	NO	NIL	NIL
Mohamedi T. Singaporewala	Non Executive Independent Director	14	NO	NIL	NIL
Narotambhai V. Patel	Non Executive Independent Director	3	NO	NIL	NIL
R. H. Balasubramanya	Non Executive Independent Director	3	NO	NIL	NIL
Mr. Sunderji Gosar ²	Non Executive Independent Director	0	NO	NIL	NIL
Mr. Sunil Mistry ³	Non Executive Independent Director	0	NO	Indosource Solutions Private Limited	NIL

- (1) Mr. Bhimji V. Ratanghayra, a Non – Executive Independent Director resigned from the Board on October 5, 2009.
- (2) Mr. Sunderji Gosar, a Non – Executive Independent Director was appointed as Additional Director of the Company by the Board at its Meeting held on December 14, 2009. Mr. Sunderji Gosar has resigned from the Board on May 18, 2010.
- (3) Mr. Sunil Mistry, a Non – Executive Independent Director was appointed as an Additional Director of the Company by the Board at its Meeting held on May 31, 2010.

(vii) Code of Conduct

The Board of Directors has an important role in ensuing good corporate governance and has laid down the Code of Conduct for Directors and Senior Management 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 15-month period ended March 31, 2010. Annual Report contains a declaration to this effect signed by the Managing Director, provided in Clause 49 of the Listing Agreement.

(viii) Appointment and Re- Appointment of Directors: At the ensuing Annual General Meeting,

- (1) Mr. Azamkhan F. Lohani and Mr. Rashid I. Tharadra retire by rotation and being eligible offer themselves for re-appointment.



- (2) Mr. Sunil Mistry is to be appointed as Director under Section 257 of the Companies Act, 1956.
- (3) Mr. Shaukat S. Tharadra, to be re-appointed as Managing Director of the Company.
- (4) Mr. Azamkhan F. Lohani, Mr. Rashid I. Tharadra and Mr. Abdulla K. Musla, to be re – appointed as Whole Time Directors of the Company.

THE ABBREVIATED RESUMES OF THESE DIRECTORS ARE AS FOLLOWS:

Name of the Director	Mr. Shaukat S. Tharadra	Mr. Azmakhan F. Lohani	Mr. Rashid I. Tharadra	Mr. Abdulla K. Musla	Mr. Sunil Mistry
Date of Birth	July 11, 1945	April 3, 1949	March 10, 1961	December 1, 1959	December 17, 1977
Age	65 years	61 years	48 years	50 Years	32 years
Qualification	BSc	Secondary School Education	Secondary School Education	Secondary School Education	C.A.
Date of Appointment	Since Incorporation	Since Incorporation	July 1, 2002	March 28, 2003	May 31, 2010
Directorships in Other Companies	Nil	Nil	Nil	Nil	Indosource solutions Private Limited
Expertise in Specific Areas	Strategic Management	General Administration	Production	Finance	Finance
No. of Shares held in the Company	1,85,80,100	3,30,000	70,000	70,000	Nil

(C) COMMITTEES OF THE BOARD:

AUDIT COMMITTEE:

The Board of Directors have constituted Audit Committee to commensurate with the requirements mentioned in Section 292A of the Companies Act, 1956 and Clause 49 of the Standard Listing Agreement. The role of the Committee is

- (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, accounting & disclosure of exceptional items, clarity of disclosures, significant audit adjustments, 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 for internal financial control, 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/ dismiss 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) External Audit: The Audit Committee would pay particular attention to recommend appointment / removal of External auditors of the Company to the Board and fix remuneration, assess the qualifications, expertise, resources, effectiveness and independence of the external 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, accounting / audit adjustments & management explanations, review audit representation letters before approval by Board, review audit process



at the end of audit by discussion with external auditors on audit plan, audit risks, internal controls & feedback from key personnel involved, review the management letter received from external auditors, review non-audit services by the auditor to ensure external auditor's independence / objectivity, annually review the accounts, audit of subsidiary companies with their Auditors & Audit Committee, so far it concerns the Company.

- (5) Systems Audit: The Audit Committee would pay particular attention to appoint / dismiss Systems Auditors & fix their remuneration for services, assess the qualifications, expertise, resources, effectiveness and independence of the systems auditors, review the scope of systems audit programme, ensure access of Systems Auditor to the Chairman of board / Audit Committee, review management response to systems audit report, review effectiveness of systems within the Company

The Audit Committee was re-constituted by the Board at their Meeting held on October 5, 2009 subsequent to the resignation of Mr. B.V. Ratanghayra from Directorship of the Company. The reconstituted Audit Committee consist of

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

Meetings and attendance during the year:

The Audit Committee met six times during the year on March 31, 2009, April 8, 2009, July 9, 2009, September 28, 2009, October 30, 2009 and January 29, 2010. The attendance at the Audit Committee meetings was as under:

Name of the Director	No. of Meetings*	Meetings Attended*
Mr. Mohamedi T. Singaporewala	6	6
Mr. Narotambhai V. Patel	6	6
Mr. Abdulla K. Musla	6	2
Mr. B.V. Ratanghayra*	6	0

*Mr. Bhimji V. Ratanghayra, a Non – Executive Independent Director resigned from the Audit Committee on October 5, 2009, subsequent to his resignation from the Board of Directors of the Company.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board of Directors have constituted Shareholders'/ Investors' Grievances Committee to commensurate with the requirements mentioned in Clause 49 of the Standard Listing Agreement. The role of the Committee is to Supervise investor relations and redressal of investors' grievances in general, including non-receipt of dividends and interest and such other matters as may be required from time to time under any statutory or other regulatory requirement.

The Shareholders'/ Investors' Grievances Committee was re-constituted by the Board at their Meeting held on October 5, 2009 subsequent to the resignation of Mr. B.V. Ratanghayra from Directorship of the Company. The reconstituted Shareholders'/ Investors' Grievances Committee consist of

Name of the Director	Category	Shareholders'/Investors' Grievance Committee
Mr. Mohamedi T. Singaporewala	Independent Director	Chairman
Mr. Narotambhai V. Patel	Independent Director	Member
Mr. Abdulla K. Musla	Whole Time Director	Member

Mr. Alok A. Desai, is the Compliance Officer.

Status of Investors' Complaints during the period under Review

Complaints	No.
Pending at the beginning of the Period	Nil
Received during the Period	7
Disposed off during the Period	7
Unresolved at the end of the Period	Nil



Meetings and attendance during the year:

The Shareholders'/Investors' Grievance Committee met three times during the year on September 25, 2009, October 30, 2009 and January 29, 2010. The attendance at the Shareholders'/Investors' Grievance Committee meetings was as under:

Name of the Director	No. of Meetings*	Meetings Attended*
Mr. Mohamedi T. Singaporewala	3	3
Mr. Narotambhai V. Patel	3	2
Mr. Abdulla K. Musla	3	3
Mr. B.V. Ratanghayra*	3	0

*Mr. Bhimji V. Ratanghayra, a Non – Executive Independent Director resigned from the Shareholders'/Investors' Grievance Committee on October 5, 2009, subsequent to his resignation from the Board of Directors of the Company.

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 Committee was re-constituted by the Board at their Meeting held on October 5, 2009 subsequent to the resignation of Mr. B.V. Ratanghayra from the Directorship. The reconstituted Remuneration Committee consist of

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

Meetings and attendance during the year:

A Meeting of the Remuneration Committee was held on September 28, 2009 which was attended by Mr. Mohamedi T. Singaporewala and Mr. Narotambhai V. Patel.

Remuneration of Directors: Sitting fees, salary, perquisites and commission:

The details of the remuneration paid by the Company to its Directors for the 15 Month Period ended March 31, 2010 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.	Rs. 34,76,000/-	--	Rs. 34,76,000/-
Azamkhan F. Lohani	None	N.A.	Rs. 10,84,000/-	--	Rs. 10,84,000/-
Abdulla K. Musla	None	N.A.	Rs. 10,84,000/	--	Rs. 10,84,000/
Rashid I. Tharadra	None	N.A.	Rs. 10,84,000/	--	Rs. 10,84,000/
Mohamed T. Singaporewala	None	--	--	--	--
Narotambhai V. Patel	None	--	--	--	--
R. H. Balasubramanya	None	--	--	--	--
Bhimji V. Ratanghayra ¹	None	--	--	--	--
Mr. Sunderji Gosar ²	None	--	--	--	--
Mr. Sunil Mistry ³	None	--	--	--	--

(1) Mr. Bhimji V. Ratanghayra, a Non – Executive Independent Director resigned from the Board on October 5, 2009.



- (2) Mr. Sunderji Gosar, a Non – Executive Independent Director was appointed as Additional Director of the Company by the Board at its Meeting held on December 14, 2009. Mr. Sunderji Gosar has resigned from the Board on May 18, 2010.
- (3) Mr. Sunil Mistry, a Non – Executive Independent Director was appointed as an Additional Director of the Company by the Board at its Meeting held on May 31, 2010.

IPO COMMITTEE

The IPO Committee was constituted by the Board of Directors at its meeting held on April 25, 2008 to take timely decisions on various issue pertaining to the Initial Public Offering of the Company. The Committee consisted of Mr. Shaukat S. Tharadra, Chairman and Managing Director of the Company; Mr. Abdulla K. Musla and Mr. Mohamedi T. Singaporewala, Directors of the Company.

Following the successful completion of the Initial Public Offering of Equity Shares of the Company and Listing of Shares of the Company on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited on August 12, 2009, the Committee was dissolved by the Board at its Meeting held on October 5, 2009

There was no Meeting of the IPO Committee held during the period under review as all the decisions pertaining to the Initial Public Offer of the Company were taken by the Board at their relevant Meetings.

(D) 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.

(E) MANAGEMENT DISCUSSION AND ANALYSIS:

The Management's view on the Financial Condition and Operations of the Company has been given under separate section of this Annual Report.

(F) 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. Transactions with related parties have been mentioned in Note No.3 of Schedule 23 to the Accounts in the Annual Report.

(G) Compliance with the Capital Market Laws:

There has neither been any non-compliance on part of the Company on any matter related to Capital Markets during the 15 month period ended March 31, 2010.

As per Clause 49 of the Listing Agreement, for the 15 month period ended March 31, 2010, 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/ Managing Director, confirming Compliance with the mandatory requirements of the said clause.

(H) Means of Communication:

Quarterly Results: The Company publishes Quarterly Results in the Newspapers as required under the Listing Agreements

Newspapers wherein results normally published: Business Standard and Sakal

Website: The Results are published on the Website of the Company i.e. www.rajoilmillsltd.com

(I) GENERAL BODY MEETINGS:

The details of last three Annual General Meetings of ROML are as follows:

Date & Time	Venue
May 28, 2009 at 4:30 p.m	224-230, Bellasis Road, Mumbai- 400008
April 21, 2008 at 11:00 a.m.	224-230, Bellasis Road, Mumbai- 400008
March 15, 2007 at 4:30 p.m.	224-230, Bellasis Road, Mumbai- 400008



Special Resolutions passed in the last three Annual General Meetings:

Date	Particulars of Special Resolution passed
May 28, 2009	Nil
April 21, 2008	Issue of Equity Shares
March 15, 2007	Nil

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

Date	Time	Venue	Purpose
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
March 24, 2008	11:00 a.m.	224-230, Bellasis Road, Mumbai- 400008	Issue of Shares on Preferential Basis to Mr. Shaukat S. Tharadra and Mrs. Shahida S. Tharadra

There was no Resolution passed through Postal Ballot during the Period under Review.

(J) GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Date and time : September 30, 2010 at 10:30a.m.

Venue : Bhavan Kanji Khetsey Sabhagriha,
Bhartiya Vidya Bhavan Kalakendra,
Munshi Sadan, Kulapati K.M. Munshi Marg,
Chowpatty, Mumbai – 400 007

Financial year : April 1 to March 31

Period for which this Annual Report is presented:

January 1, 2009 to March 31, 2010.

Date of Book Closure:

The Share Transfer Books and the Members' Register will be closed between Thursday, September 23, 2010 to Thursday, September 30, 2010 (both days inclusive) for the purpose of the Eight Annual General Meeting.

The Company did not declare any dividend during the period under preview.

Listing on the Stock Exchanges

(1) The Bombay Stock Exchange Limited
P.J. Towers, Dalal Street
Mumbai - 400023

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

ISIN: INE294GO1018

The Company has paid the Annual Listing Fees to both the Exchanges on time.

Stock Code:

BSE: 533093 NSE: RAJOIL

Market Price Data:

The Company's shares got listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited on August 12, 2009. The High and Low on closing prices of the Company's shares on the BSE and NSE are as follows:



Month	National Stock Exchange of India Limited		The Bombay Stock Exchange Limited	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
August 2009	133.50	85.00	133.70	85.50
September 2009	91.10	79.35	91.40	78.15
October 2009	81.90	61.50	81.75	61.50
November 2009	75.45	56.55	75.50	56.10
December 2009	79.80	64.55	79.60	64.55
January 2010	82.30	65.50	82.20	65.40
February 2010	71.40	61.20	71.50	61.60
March 2010	68.30	59.50	70.05	58.50

Share Price Performance in comparison to broad based indices – from the date of Listing as on March 31, 2010

Closing Price in Rs.

As on	Raj Oil Mills Limited	BSE Sensex	NSE Nifty
August 12, 2009	119.30	15020.16	4457.50
March 31, 2010	59.70	17527.77	5249.10

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 M/s 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
Website: www.bigshareonline.com

Share Transfer System:

All physical share transfers are handled by M/s Bigshare Services Private Limited. The transferee is required to furnish the transfer deed duly completed in all respects together with the share certificates to M/s Bigshare Services Private Limited at the above said address in order to enable M/s 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, 2010

Category	March 31, 2010		December 31, 2008	
	Shares held	% of Holding	Shares held	% of Holding
Promoters Holding				
Promoters	1,90,00,100	52.76	1,90,00,100	71.67
Institutional Investors	27,08,650	7.52	0	0
Others				
Private Corporate Bodies	58,71,017	16.30	31,42,000	11.85
Individual Shareholders	83,05,092	23.06	43,68,000	16.48
Others	1,25,249	0.35	0	0
Total	3,60,10,108	100.00	2,65,10,100	100.00

**Shareholding Pattern by Size March 31, 2010**

Range	Total Holders	% of Total Holders
1-5000	11,760	87.16
5001 – 10000	966	7.15
10001 – 20000	348	2.57
20001- 30000	130	0.96
30001 - 40000	56	0.41
40001 - 50000	47	0.34
50001 – 100000	82	0.60
100001 - 99999999	102	0.76
TOTAL	13,491	100.00

Shares Held in Physical and Dematerialized Form:

Break up of physical and dematerialized form:

Mode	March 31, 2010		December 31, 2008	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Demat	3,59,07,105	99.71	2,62,22,100	98.91
Physical	1,03,003	0.29	2,88,000	1.09
Total	3,60,10,108	100.00	2,65,10,100	100.00

Outstanding GDRs/ ADRs/ Warrants/Convertible Instruments and their Impact on Equity:

Raj Oil Mills Limited does not have any outstanding GDRs/ ADRs/ warrants/ convertible instruments.

Plant Locations:

- (1) Ten Village, Manor
Palghar, Thane - 401404
- (2) F - 9, F – 10 RIICO
Industrial Area of Bagru Kalan Extn – Phase II,
Jaipur, Rajasthan – 303 007

Address for Correspondence:

- (i) 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) - 400 072
Tel no.: +91 - 22 - 4043 0200
Fax no.: +91 - 22 - 2847 5207
Website: www.bigshareonline.com
 - (b) For Shares held in Demat Form
Investors' concerned Depository Participants / Bigshare Services Private Limited
- (ii) Any Query on Annual Report
Mr. Alok A. Desai
Company Secretary
224- 230, Bellasis Road, Mumbai - 400008



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 period ended March 31, 2010, 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We 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 M.K. Gohel & Associates
Chartered Accounts

Place: Mumbai
Date: September 3, 2010

Mukesh K. Gohel
Proprietor
(Membership No. 038823)



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

Date: September 3, 2010
The Board of Directors,
RAJ OIL MILLS LIMITED
224 - 230, BELLASIS ROAD,
MUMBAI – 400 008

SHAUKAT S. THARADRA, Managing Director and ABDULLA K. MUSLA, Whole Time Director Finance, hereby certify that in respect of the period ended March 31, 2010:-

1. We have reviewed the financial statements and the cash flow statements for the period ended March 31, 2010 to best of our knowledge and belief:-
 - a) These 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;
However attention is drawn specifically to note 14 to Schedule 23.
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 in the notes to the financial statements; and
 - c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Shaukat S. Tharadra
Chairman and Managing Director

Abdulla K. Musla
Whole Time Director Finance.

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 compliance to their respective Codes of Conduct, as applicable to them for period ended March 31, 2010.

Shaukat S. Tharadra
Managing Director

Date: September 3, 2010



DIRECTORS' REPORT

To The Members,

RAJ OIL MILLS LIMITED

We are delighted to present the Eight Annual Report on the business and operations together with the audited statements of accounts of the company for the 15 months period ended 31st March 2010.

FINANCIAL RESULTS

(Rs. in Lakhs except EPS)

	15 Months Period ended March 31, 2010	Year ended December 2008
Total Income	46,196.63	31,775.59
Profit before Depreciation and Tax	5,424.07	4,632.90
Less : Depreciation	(188.53)	(102.99)
Net Profit before Tax	5,235.54	4,529.91
Less : Provision for Current Tax, Fringe Benefit Tax and Wealth Tax	(1,816.16)	(1,546.56)
Net Profit before Deferred Tax	3419.38	2983.35
Deferred Tax	170.1	(21.48)
Net Profit after Deferred Tax	3589.48	2,961.87
Add : Balance b/f from Previous Year	4902.64	1,940.76
Total Profit available for Appropriation	8492.12	4,902.64
Appropriation		
Issuance of Bonus Share	--	--
Balance carried to Balance Sheet	8492.12	4,902.64
Earning Per Share		
– Basic	11.39	11.87
– Diluted	11.39	11.87

CHANGE IN FINANCIAL YEAR OF THE COMPANY

Since its incorporation, your Company had adopted the twelve-month period commencing from January 1 and ending on December 31 as its accounting year. In order to align with the provisions of Income Tax Act, 1961 and to obviate the difficulties of maintaining accounts and other relevant records, the Financial Year of the Company was changed from January 1 to December 31 to April 1 to March 31 at the Meeting of Board of Directors of the Company held on October 5, 2009.

OPERATIONS

During the period under review, your Company achieved following unprecedented growth both in terms of sales and profit.

- Sales increased from 317.76 Crs to Rs. 461.97 Crs.
- EBIDTA increased from Rs. 52.29 Cr to 65.41 Crs.
- Distributable profit increased from 29.62 Crs to 35.89 Crs.
- Networth up by from Rs. 100.33 Crs. To 239.32 Crs
- Commencement of Commercial Production at Jaipur
- State of Art Refinery getting commissioned and going full stream within weeks at Manor
- Cost Effective Processes being implemented at operational venues
- Warehousing for Seed Storage and Economical Sourcing taken up
- Planning of Mother Godowns and supporting C&F / Stockiest
- Focus on enhanced width and depth of Distribution completed for the First Phase. Further Phases (II & III) planned. Phase II into implementation



- Quality Control and Quality Assurance practices reviewed and predictions and preventive practices analysed. Process changes being implemented

SHARE CAPITAL

At present, the company has only one class of shares, viz. equity shares of Rs.10 each.

(a) Authorised Capital

The Authorized Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four) Equity Shares of Rs. 10/- (Rupees Ten) each only.

(b) Allotment during the period

During the period under review, the Company allotted 95,00,008 Equity Shares of Rs. 10/- each at a premium of Rs. 110/- each on August 4, 2009 pursuant to its Initial Public Offering. The Equity Shares of the Company were listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited on August 12, 2009.

RESERVE & SURPLUS

The increase in Reserve & Surplus represents the amount transferred from Share Premium Account and the profits derived during the year after making provision for current taxation.

DIVIDEND

In order to conserve the resources of the Company, board has decided not to give any dividend for current year.

DEFERRD TAX

The Deferred Tax Liability has reduced due to expenditure under Section 35D of the Income Tax Act, 1961.

INTERNAL CONTROL SYSTEM

The Company has an adequate internal control system, 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 Kailash Chand Jain & Co., Chartered Accountants, as Internal Auditors of the Company.

DIRECTORS

Mr. Sunil Mistry was appointed as Additional Director of the Company effective from May, 31, 2010. In terms of Section 260 of the Companies Act, 1960, he shall hold office only upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing his candidature for the office of Director liable to retire by rotation.

Mr. Azamkhan F. Lohani and Mr. Rashid I. Tharadra, Directors of the Company, retire by rotation and being eligible, offer themselves for re – appointment at the ensuing Annual General Meeting.

Mr. B.V. Ratanghayra, Director, resigned from the Board on October 5, 2009. Mr. Sunderji Gosar was appointed as Additional Director of the Company on December 14, 2009 and resigned from the Board on May 18, 2010.

The Board placed on record its deep sense of appreciation for the invaluable contribution made by Mr. B.V. Ratanghayra and Mr. Sunderji Gosar during their tenure as Directors of the Company.

AUDITORS AND AUDITORS' REPORT

A special notice in terms of Section 190 of the Companies Act, 1956, has been received under Secion 225 (1) from a Member proposing the appointment of M/s Agarwal, Desai & Shah, Chartered Accountants, Mumbai, as Auditors of the Company, in place of M/s M. K. Gohel & Associates, Chartered Accountants, Mumbai, the retiring Auditors of the Company. The retiring auditors of the Company have no representation to make for notification to the Members of the Company relating to special notice.

The observation of Auditors in their report read with the relevant notes to accounts in Schedule "23" are self-explanatory and do not require further explanation.

HUMAN RESOURCES

The Statement pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has been annexed as Annexure I.

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 in prescribed Form A is given in Annexure 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 temper 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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the accounts, the applicable accounting standards have been followed. However attention is drawn specifically to note 14 to Schedule 23.
- (b) Appropriate accounting policies have been selected and applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company for the period ended March 31, 2010 and of the profit of the Company for the period ended on that date.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with 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 accounts have been prepared on a going concern basis.

The Qualification of the Auditors in their Report to the Members in connection with the disclosures pertaining to Accounting Standard 15 on Accounting for Retirement Benefits is self-explanatory. Adequate explanations have been provided in the relevant notes to accounts. Hence no Additional Explanation is considered necessary.

EMPLOYEE RELATIONS & HUMAN RESOURCES

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

ACKNOWLEDGEMENTS

We thank our banks, investors, clients, distributors, vendors and other business associates for their continued support towards conduct of efficient operations of the Company throughout the year.

We 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, cooperation and support.

For and on behalf of the Board of Directors

Shaukat S. Tharadra
Chairman & Managing Director

Place : Mumbai
Date: September 3, 2010

**ANNEXURE TO DIRECTORS' REPORT****FORM - A****(A) Power and Fuel consumption in respect of**

Year ended December 31st	15 Months period ended March 31, 2010	Financial year ended December 31, 2008
1 Electricity		
(a) Purchased		
Units (in lakhs)	6.42	9.99
Total Amount (Rs. in lakhs)	45.12	67.61
Rate per unit (Rs./ Unit)	7.03	6.77
(b) Own generation Through Diesel Generator		
Units (KWH in lakhs)	3.86	1.11
Units per litre of Diesel oil	39.16	12.74
Cost per unit (Rs. / Unit)	10.14	11.48
2 Furnance Oil/LSHS/LDO/HSD		
Qty. (K. Ltrs.)	47.79	117.76
Total Amount (Rs. in lakhs)	12.30	37.85
Average rate (Rs. / Ltrs.)	25.75	32.14

(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.

Statement pursuant to section 217 (2A) of the Companies Act, 1956**Annexure I**

Name of the Employee	Designation	Date of Joining	Date of Revision of Salary	Salary
Mr. Shaukat S. Tharadra	Chairman & Managing Director	June 22, 2002	October 1, 2007	Rs. 2.5 lakhs per month
Mr. Manavendra S. Gokhale	Chief Executive Officer	November 1, 2009	-	Rs. 4 lakhs per month



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 2010 and also the Profit and Loss Account and the Cash Flow Statement for the period 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 the auditing standards generally acceptable in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 (The Act), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act, *subject to non disclosure of details as defined in the Accounting Standard 15(Refer Note No. 14 of Schedule 23)*.
 - (v) On the basis of the written representations received from the directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of the clause (g) of sub-section (1) of section 274 of the Act;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Act, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - (c) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **M. K. Gohel & Associates**
Chartered Accountants
Firm Registration No: 103256W

Mukesh K. Gohel
Proprietor
Membership No. 038823

Place : Mumbai
Date : 3 rd September, 2010



Annexure to the Auditor's Report

Re: Raj Oil Mills Limited

(Referred to in para 3 of our report of even date)

- (i) (a) The company has maintained 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, which in our opinion, is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) As explained to us, the company has not disposed off any substantial part of fixed assets during the year, so as to affect the going concern.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (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. Hence the sub-clauses (b), (c) and (d) are not applicable.
- (b) As informed to us, the company has taken unsecured loan of Rs.163 Lakhs from Director, Mr. Shaukat S. Tharadra. As there is no interest paid or provided on unsecured loan clauses (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 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 prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public under the provisions of sections 58A and 58AA or any relevant provisions of the Companies Act, 1956 and the Companies (Acceptance and Deposits) Rules, 1975.
- (vii) In our opinion, the company have an internal audit system commensurate with the nature of business
- (viii) According to the information given to us, Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Act, in case of the Company.
- (ix) (a) As per information and explanations given to us, the company has generally been regular during the year in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, excise duty, cess and other material statutory dues applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, excise duty and cess were in outstanding as at 31st March 2010, for a period of more than six months from the date they became payable.
- (c) According the information and explanation given to us, the disputed Income Tax penalty aggregating to Rs. 34.72 Lakhs, that have not been deposited on account of Appeal pending before Commissioner of Income Tax (Appeals) for A.Y. 2008-09.



- (x) The Company does not have accumulated losses at the end of the year, nor incurred cash losses during the current and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayments of dues to financial institution or banks or debenture.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the said order is not applicable.
- (xiii) In our opinion, the company is not a Chit fund or a Nidhi, Mutual benefit fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in Shares, Securities, Debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, Company has not given guarantee for loans taken by others from a bank or financial institution.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that, prima facie, no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made allotment of equity shares on preferential basis to persons including persons covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debenture and hence provisions of clause (xix) of paragraph 4 of the said Order are not applicable to the Company.
- (xx) According to the information and explanation given to us, the company has raised Rs. 11400 Lakhs by way of public issue during the financial year. The management has disclosed the end use of money raised by public issue (Refer note No.10 Schedule 23) and the same has been verified by us.
- (xxi) To the best of our knowledge and belief and as per the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year nor we have been informed of such case by the management.

For **M. K. Gohel & Associates**
Chartered Accountants
Firm Registration No: 103256W

Mukesh K. Gohel
Proprietor
Membership No. 038823

Place : Mumbai
Date : 3rd September, 2010

**BALANCE SHEET AS AT MARCH 31, 2010**

PARTICULARS	SCHEDULE	Amount in Rupees	
		As at 31-03-2010	As at 31-12-2008
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Equity Share Capital	1	360,101,080	265,101,000
(b) Reserve & Surplus	2	2,033,165,605	738,243,368
2. Loan Funds			
(a) Secured loans	3	556,275,737	211,956,129
(b) Unsecured loans	4	30,239,775	10,505,983
3. Deferred Tax Liability (Net)	5	2,006,000	19,016,000
TOTAL		2,981,788,197	1,244,822,480
APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	6	477,378,534	231,614,930
(b) Less : Depreciation & Amortizations		54,123,365	35,436,488
(c) Net Block		423,255,169	196,178,442
(d) Capital Work in Progress	7	481,531,129	117,263,376
2. Investments	8	250,000	250,000
3. Current Assets, Loans & Advances			
(a) Sundry Debtors	9	1,704,529,434	850,923,696
(b) Cash and Bank Balances	10	359,983,918	13,511,855
(c) Loans and Advances	11	238,951,536	312,930,741
(d) Inventories	12	339,277,785	133,701,258
		2,642,742,673	1,311,067,550
Less : Current Liabilities & Provisions			
(a) Current Liabilities	13	300,465,775	127,432,223
(b) Provisions		265,525,000	252,504,661
		565,990,775	379,936,884
Net Current Assets		2,076,751,899	931,130,666
TOTAL		2,981,788,197	1,244,822,480
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	23		

Signature To Schedule "1" TO "23"

As per our report of even date attached

For and on behalf of Board of Directors

For M. K. Gohel & Associates**Shaukat S. Tharadra****Azamkhan F. Lohani**Chartered Accountants
Firm Registration No. 103256W

Chairman & Managing Director

Wholetime Director

Mukesh K. Gohel**Abdulla K. Musla**
Wholetime Director**Alok A. Desai**
Company SecretaryProprietor
Membership No. 038823Place : Mumbai
Date : 3rd September 2010**Rashid I. Tharadra**
Wholetime Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	SCHEDULE	Amount in Rupees	
		For the period ended 31-03-2010 (15 Months)	For the period ended 31-12-2008 (12 Months)
INCOME			
SALES (NET)	14		
Sales (Gross)		4,619,663,591	3,177,559,078
Less : Excise Duty		-	-
		4,619,663,591	3,177,559,078
Other Income	15	9,411,074	766,894
Increase/(Decrease) in Inventory	16	83,752,632	33,985,907
TOTAL		4,712,827,297	3,212,311,878
EXPENDITURE			
Material Consumed	17	3,758,827,277	2,497,690,212
Manufacturing Expenses	18	24,111,675	27,200,690
Personnel Cost	19	98,259,742	73,184,429
Administrative and Other Expenses	20	64,329,620	36,499,659
Selling and Distribution Expenses	21	113,155,099	54,825,295
Finance Cost	22	111,735,888	59,620,797
Depreciation		18,853,812	10,299,206
TOTAL		4,189,273,112	2,759,320,288
PROFIT BEFORE TAX		523,554,185	452,991,591
Provision for Current Tax		(181,566,000)	(153,056,000)
Provision For Fringe Benefit Tax		-	(1,500,000)
Provision for Wealth Tax		(50,000)	(100,000)
PROFIT AFTER CURRENT TAX		341,938,185	298,335,591
Reversal / Provision for Deferred Taxation - Current Year		17,010,000	(2,148,000)
PROFIT AFTER DEFERRED TAX		358,948,185	296,187,591
Balance brought forward from previous year		490,264,368	194,076,778
NET PROFIT AVAILABLE FOR APPROPRIATION		849,212,553	490,264,368
BALANCE CARRIED TO BALANCE SHEET		849,212,553	490,264,368
Earning per Share (Equity Shares, Face value of Rs. 10 each)			
Basic		11.39	11.87
Diluted		11.39	11.87
Number of shares used in computing Earning Per Share			
Basic		31,521,093	24,957,418
Dilutive		31,521,093	24,957,418
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	23		

Signature To Schedule "1" TO "23"

As per our report of even date attached

For **M. K. Gohel & Associates**

Chartered Accountants
Firm Registration No. 103256W

Mukesh K. Gohel

Proprietor
Membership No. 038823

Place : Mumbai

Date : 3rd September 2010

For and on behalf of Board of Directors

Shaukat S. Tharadra

Chairman & Managing Director

Azamkhan F. Lohani

Wholetime Director

Abdulla K. Musla

Wholetime Director

Alok A. Desai

Company Secretary

Rashid I. Tharadra

Wholetime Director



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	As at 31-03-2010	As at 31-12-2008
Amount in Rupees		
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED		
40,000,000 (40,000,000) Equity Shares of Rs. 10/- each.	400,000,000	400,000,000
ISSUED, SUBSCRIBED AND PAID-UP		
3,60,10,108/- (2,65,10,100/-) Equity Shares of Rs. 10/- each fully paid up	360,101,080	265,101,000
Note :		
1) Includes 85,20,000 equity shares allotted as fully paid up bonus shares by capitalization of Capital Reserve & Balance in Profit & Loss Account		
2) Includes 17,20,000 equity shares allotted as fully paid up bonus shares by capitalization of Securities Premium Account and Balance in Profit & Loss Account		
	360,101,080	265,101,000
SCHEDULE "2"		
RESERVE & SURPLUS		
(a) Balance in Profit & loss account	849,212,553	490,264,368
	849,212,553	490,264,368
(b) Securities Premium Account		
Opening Balance	247,979,000	55,503,000
Add : - Received During the Year	1,045,000,880	192,476,000
	1,292,979,880	247,979,000
Less : - Public Offer Expenses	109,026,828	-
Closing Balance	1,183,953,053	247,979,000
Total (a+b+c)	2,033,165,605	738,243,368
SCHEDULE "3"		
SECURED LOANS		
Term loan from Banks (Refer Note:1 of Schedule: 23)	8,588,262	38,936,591
Cash Credit from Banks	545,534,453	170,276,503
Vehicle Loan from Bank/Finance Company	2,153,022	2,743,035
	556,275,737	211,956,129
SCHEDULE " 4 "		
UNSECURED LOANS		
Directors	16,360,988	-
Business Loan - Financial Institution & Banks	13,878,787	10,505,983
	30,239,775	10,505,983
SCHEDULE " 5 "		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities are attributable to the following :		
Liabilities		
Depreciation	23,970,000	19,016,000
Assets		
Expenditure u/s 35 D of the Income Tax Act, 1961	21,964,000	-
	2,006,000	19,016,000



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE " 6 " & " 7 "

FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01-01-2009	Additions	Deductions	As on 31-03-2010	For the year	Deductions	As on 31-03-2010	As on 31-12-2008
Land	21,997,858	-	-	21,997,858	-	-	21,997,858	21,997,858
Factory Building	81,275,239	99,202,074	-	180,477,313	5,318,579	-	166,293,150	72,409,655
Building - Lease Hold	5,262,960	-	-	5,262,960	106,939	-	4,973,823	5,080,762
Plant And Machinery	76,868,456	143,141,585	-	220,010,041	8,528,343	-	200,423,485	65,810,243
Office Equipments	2,424,679	471,084	-	2,895,763	154,841	-	2,191,091	1,874,848
Computers	6,170,051	707,196	-	6,877,247	921,639	-	2,918,762	3,133,205
Furniture & Fixture	18,067,827	1,568,383	-	19,636,210	1,483,585	-	14,860,912	14,776,114
Trademark	5,555	-	-	5,555	-	-	-	-
Vehicles	19,542,305	1,078,455	405,174	20,215,586	2,339,886	166,935	9,596,087	11,095,757
TOTAL	231,614,930	246,168,777	405,174	477,378,534	18,853,812	166,935	423,255,169	196,178,442
Previous Year	210,004,315	22,597,221	986,606	231,614,930	10,299,206	165,117	196,178,442	184,701,916
Capital Work in Progress							481,531,129	117,263,376



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	Amount in Rupees	
	As at 31-03-2010	As at 31-12-2008
SCHEDULE " 7 "		
Capital Work In Progress		
New Refinery & Crushing Project at Manor	481,531,129	117,263,376
	481,531,129	117,263,376
SCHEDULE " 8 "		
INVESTMENTS		
<i>(Long Term, Unquoted, Non-Trade)</i>		
(a) Share Investment		
(i) The Shamrao Vithal Co-Op. Bank Ltd.		
4,000 (4,000) Shares of Rs. 25/- each	100,000	100,000
(Note : Out of above shares worth Rs. 1.00 lakhs (Rs. 1.00 lakhs) have been lien marked by the Bank against credit facilities)		
(ii) The Saraswat Co-Op. Bank Ltd.	25,000	25,000
2,500 (2,500) Shares of Rs. 10/- each		
(iii) The Kalyan Janta Sahakari Bank Ltd.	100,000	100,000
1,000 (1,000) Shares of Rs. 100/- each		
(b) Government Securities		
6 Year National Saving Certificates - VIII Issue	25,000	25,000
(Securities worth Rs.0.25 lakhs (Rs. 0.25 lakhs) have been pledged to Sales Tax department as a Security deposit for registration)		
Total (a+b)	250,000	250,000
SCHEDULE " 9 "		
SUNDRY DEBTORS		
<i>(Unsecured, considered good)</i>		
Outstanding for more then six months - considered good	493,727,818	34,036,948
Others	1,210,801,616	816,886,748
	1,704,529,434	850,923,696
SCHEDULE " 10 "		
CASH & BANK BALANCES		
Cash on hand	421,848	308,365
Bank balances in Current Accounts		
- With Scheduled Banks	280,435,740	6,213,255
- With Non Scheduled Bank (Refer Note:13 of Schedule: 23)	52,744,362	746,727
Bank balances in Deposit Accounts		
- With Scheduled Banks	26,381,968	6,243,508
(Note: Out of above, Rs. 206.82 Lakhs (Rs.61.43 Lakhs) have been pledge as Margin Money to Banks for L C / Bills Discounting)		
	359,983,918	13,511,855



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	Amount in Rupees	
	As at 31-03-2010	As at 31-12-2008
SCHEDULE " 11 "		
LOANS & ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	151,610,525	312,127,479
Inter Corporate Deposit	86,470,822	-
Sundry Deposits	870,189	803,262
	238,951,536	312,930,741
SCHEDULE " 12 "		
INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	189,571,986	72,883,729
Packing Materials	18,142,966	13,007,328
Finished Goods	131,562,833	47,810,201
	339,277,785	133,701,258
SCHEDULE " 13 "		
CURRENT LIABILITIES & PROVISIONS		
(a) Current Liabilities		
Sundry Creditors (Refer Note:7 of Schedule: 23)	238,369,062	86,793,080
Trade Deposits from Customers	2,642,952	2,839,119
Due to Barclays Bank	-	35,000,000
Other Liabilities	59,453,761	2,800,025
	300,465,775	127,432,223
(b) Provisions		
- Income Tax	265,475,000	250,904,661
- Wealth Tax	50,000	100,000
- Fringe Benefit Tax	-	1,500,000
	265,525,000	252,504,661
Total (a+b)	565,990,775	379,936,884



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	For the Period ended 31-03-2010	For the period ended 31-12-2008
Amount in Rupees		
SCHEDULE " 14 "		
SALES (NET)		
Sales (Gross)	4,619,663,591	3,177,559,078
Less : Excise Duty	-	-
	4,619,663,591	3,177,559,078
SCHEDULE " 15 "		
OTHER INCOME		
Interest Income on Loans & Deposits (TDS Rs.9.59 Lakhs (Rs1.15 Lacs))	9,381,574	534,243
Dividend Income	29,500	15,000
Miscellaneous Income	-	217,651
	9,411,074	766,894
SCHEDULE " 16 "		
INCREASE / (DECREASE) IN FINISHED GOODS		
Opening Stock	47,810,201	13,824,294
Closing Stock	131,562,833	47,810,201
	83,752,632	33,985,907
SCHEDULE " 17 "		
MATERIALS CONSUMED		
(a) Raw Material Consumption		
Opening Stock	72,883,729	57,070,731
Add : Purchased during the year	3,671,950,889	2,339,845,615
Less : Closing Stock	189,571,986	72,883,729
	3,555,262,632	2,324,032,617
(b) Traded Goods		
Opening Stock	-	934,214
Add : Purchased during the year	-	-
Less : Closing Stock	-	-
	-	934,214
(c) Packing Material Consumption		
Opening Stock	13,007,328	5,929,285
Add : Purchased during the year	208,700,283	179,801,424
Less : Closing Stock	18,142,966	13,007,328
	203,564,645	172,723,381
Total (a+b+c)	3,758,827,277	2,497,690,212
SCHEDULE " 18 "		
MANUFACTURING EXPENSES		
Power, Fuel & Water Charges	8,439,751	12,816,355
Repairs & Maintenance	5,496,322	6,980,677
Manufacturing Wages, Salaries & Other charges	9,017,265	6,647,637
Misc. Manufacturing Expenses	1,158,337	756,021
	24,111,675	27,200,690



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	Amount in Rupees	
	For the Period ended 31-03-2010	For the period ended 31-12-2008
SCHEDULE " 19 "		
PERSONNEL COST		
Salaries and Bonus including Allowances	95,456,797	71,115,539
Staff Welfare Expenses	2,802,945	2,068,890
	98,259,742	73,184,429
SCHEDULE " 20 "		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates & Taxes	13,839,824	7,955,987
Insurance Expenses	1,080,110	745,189
Electrical Expenses	2,529,672	1,720,303
Telephone Expenses	4,509,771	1,551,309
Motor Car Expenses	2,971,787	2,093,929
Printing & Stationery	1,318,329	1,597,746
Computer Expenses	796,473	562,116
Travelling & Conveyance Expenses	3,581,540	7,207,546
Royalty, Brand & Trademarks Fees/Charges	400	-
Audit Fees	1,268,450	337,080
ROC Filing Fees	145,560	850,179
Postage & Courier Expenses	195,991	133,143
Professional Fees	28,293,462	10,471,211
Loss on Sale / Discard of Fixed Assets	113,239	26,434
Deferred Revenue Expense written off	-	593,127
Miscellaneous Expenses	3,685,012	654,362
	64,329,620	36,499,659
SCHEDULE "21"		
SELLING & DISTRIBUTION EXPENSES		
Advertisement & Media Expenses	7,593,801	7,902,275
Commission , Brokerage & Consignee Expenses	8,641,941	6,945,383
Freight, Forwarding and other Expenses	25,990,106	30,391,744
Sales Promotion Expenses	61,061,834	211,644
Entry Taxes, APMC & Other Levies	9,867,417	9,374,249
	113,155,099	54,825,295
SCHEDULE "22"		
FINANCE COST		
Interest		
- Term Loan	3,495,439	4,304,430
- Working Capital	63,510,947	40,827,095
- Auto Loan	341,399	367,404
- Other	7,359,734	8,565,130
Bank & Finance Charges	37,028,369	5,556,738
	111,735,888	59,620,797



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

Amount in Rupees

Year Ended

	31-03-2010		31-12-2008	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax and Extra Ordinary items		523,554,185		452,991,591
Adjustment For				
Add : Depreciation	18,853,812		10,299,206	
Dividend Received	(29,500)		(15,000)	
Interest Income	(9,381,574)		-	
Loss on Sale of Assets	113,239		26,434	
Profit on Sale of Assets	-		(192,000)	
Deferred Revenue Expenses written off	-		593,127	
Interest (net)	74,707,520	84,263,497	54,064,059	64,775,826
Operating Profit Before Working Capital Changes		607,817,682		517,767,417
Income Tax (Paid) / Refund		(47,572,140)		(52,662,000)
Adjustment for working capital changes				
(Increase) / Decrease in Trade & Other Receivables	(853,605,738)		(316,386,503)	
(Increase) / Decrease in Other Current Assets	121,551,345		(143,899,000)	
Increase / (Decrease) in Trade Payables	173,033,552		(48,794,000)	
Increase / (Decrease) in Provisions	(168,595,661)		(152,000)	
(Increase) / Decrease in Inventories	(205,576,527)	(933,193,029)	(55,943,000)	(565,174,503)
Net Cash used/generated for/ from Operations		(372,947,488)		(100,069,086)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / WIP		(610,436,535)	(117,004,000)	
Dividend Received		29,500	15,000	
Interest Income		9,381,574	-	
Capital Advances			(16,146,000)	
Sale/Discarding of Fixed Assets		125,000	987,000	(132,148,000)
Net Cash used in Investing Activities		(600,900,462)		(132,148,000.01)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds form Long Term Borrowings				(6,461,000)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	Year Ended	
	31/March/2010	31/December/2008
Proceeds form Short Term Borrowings	344,319,608	17,877,000
Loan & Advances	19,733,792	(2,237,000)
Interest Paid	(74,707,520)	(54,064,059)
Proceed from issue of Equity Shares	95,000,080	80,199,000
Share Premium received on issue of Equity Shares	1,045,000,880	192,476,000
Issue Expenses	(109,026,828)	(6,439,000)
Net Cash generated from other sources	1,320,320,013	221,350,941
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	346,472,063	(10866145)
Cash & Cash Equivalents (Closing Balance) as on 31/March/10	359983918	13,511,855
Cash & Cash Equivalents (Opeing Balance) as on 31/Dec/08	13511855	24,378,000

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

	31/March/10	31/December/08
CASH FLOW SUMMARY		
A) CASH FLOW FROM OPERATING ACTIVITIES	(372,947,488)	(100,069,086)
B) CASH FLOW FROM INVESTING ACTIVITIES	(600,900,462)	(132,148,000)
C) CASH FLOW FROM FINANCING ACTIVITIES	1,320,320,013	221,350,941
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	346,472,063	(10866145)

Signature To Schedule "1" TO "23"

As per our report of even date attached

For M. K. Gohel & Associates

Chartered Accountants
Firm Registration No. 103256W

Mukesh K. Gohel

Proprietor
Membership No. 038823

Place : Mumbai

Date : 3rd September 2010

For and on behalf of Board of Directors

Shaukat S. Tharadra

Chairman & Managing Director

Abdulla K. Musla

Wholetime Director

Rashid I. Tharadra

Wholetime Director

Azamkhan F. Lohani

Wholetime Director

Alok A. Desai

Company Secretary

**Schedule: 23****Significant Accounting policies and Notes to accounts forming part of Accounts for the year ended 31st March 2010.****A. Significant Accounting Policies****1. Basis of Preparation of financial statements**

The financial statements are prepared as per historical cost convention and in accordance with Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

2. Use Of Estimates

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Management believes that the estimates used in preparation of financial statement are present and reasonable. Further results could differ from the estimates.

3. Fixed Assets & Depreciation / Amortisation

- a) 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 asset to its working condition for its intended use, less accumulated depreciation. All costs, till commencement of commercial production is capitalised under Jaipur Plant.
- b) Depreciation is provided as per the straight-line method at the rates provided in schedule XIV of the Companies Act, 1956 on pro-rata basis on all assets 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 in respect of Computers.
- c) Pursuant to Accounting Standard 28 " Impairment of Assets" . The Company has a system to review the carrying cost of all the assets vis-à-vis recoverable value and impairment loss, if any is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

4. Investments

- a) Long term Investments are stated at cost of acquisition. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.
- b) Dividends income is recognised when right to receive is established.

5. Inventories

- a) Inventories are valued at cost or net realizable values whichever is lower, except by- products, which is valued at estimated realizable value.
- b) In determining the cost of raw material stores spares and other materials, cost is ascertained on FIFO method. Work in progress and finished products includes material cost, labour and factory overheads and excise duty if applicable

6. Revenue recognition

Revenue from sale of goods is recognised when significant risk & rewards of ownership of the goods have passed to the Buyer. Dividend income is recognised when right to receive the payment is established by the balance sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

7. Employee Benefits

- 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 recognised in the Profit and Loss Account

Discloser as required by Accounting Standard 15 is not given as the report from Actuary is awaited.



8. Borrowing Costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised 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. All other borrowing costs are charged to Revenue.

9. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes, Contingent assets are neither recognised nor disclosed in the financial statements.

10. 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.

11. Taxation

Taxation expense 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.

12. Defered Taxation

Deferred tax resulting from timing differences between book and tax profit is accounted for under the liability method at the current rate of Income tax to the extent that the timing differences are expected to crystallize as deferred tax charge/ benefit in the profit and loss account and as deferred tax Assets/Liability in the Balance-Sheet.

13. Insurance Claim

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

14. Share Issue Expenses :

Share Issue expenses are adjusted against Security Premium Account.

15. 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 basic EPS is the weighted average number of shares outstanding during the year.

16. Related Party Transaction

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.

17. Cash Flow Statement

Cash Flow Statement are prepared in accordance with " Indirect Methods" as explained in the Accounting Standard (AS)-3 on Cash Flow Statement



Notes to Accounts

1. Secured Loans

- (a) Term loans, Cash Credit & Letter of Credit facility from banks is secured by hypothecation of all existing fixed assets of the Company including vehicles, entire stocks and book debts, margin money as may be held by the bank at the time of issue of such Letter of Credit and equitable mortgage of land and building at Village Ten Tal. Palghar, Manor and personal guarantees of some of the Directors. Term Loan repayable within one year is Rs. 47.51 Lakhs (Previous Year Rs.125.69 Lakhs)
- (b) Vehicle loan / Loan against property from the banks / finance companies are secured by the charge on the respective vehicle & property and personal security on flat of a director. Loan repayable within one year is Rs.13.17 Lakhs (Previous Year Rs.10.95 Lakhs)

2. Contingent Liabilities

(a) Excise

Raj Oil Mills Ltd. Manufactures and markets pure coconut oil under the brands Cocoraj. 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 as attracts excise at Zero rate. The stand the CO is classified under chapter 15 as fixed vegetable oil has been vindicated by the decision of Appellate Tribunal benches on various occasions. However, the Central Board Excise & Customs (CBSE) has recently issued instruction vide Circular No. 890/10/2009-CX dated June 3, 2009 wherein it has classified coconut oil packed in container size up to 200 ML as hair oil, Which is chargeable to excise duty with effect from the date of the circular that June 3,2009.

The Company has filed writ petition No. 1600/2009 with the Bombay High Court, Mumbai for interim relief. Hearing is pending for final disposal. The Hon'ble High Court vide order dated August 27, 2009, granted interim relief subject 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 Commissioner of Central Excise, Thane for Rs.10.42 Cr plus interest and penalty. The Company is under the process of filing appeal to the Department and also to seek legal advice to move petition before the The Hon'ble High Court, Mumbai against the Demand Notice received.

(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 Rs 34.72 Lakhs. The company has preferred an appeal against the said order before the Commissioner of Income Tax (Appeals), 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.

- (c) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.628.89 Lakhs (Previous Year 261.69).
- (d) Company has outstanding Bank Guarantee of Rs.57.00 lacs (Previous Year Rs.Nil)

3. Related Party transactions

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

I. Individual(s) having control with relatives and associates

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

II. Key-Management Personnel

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



III. Entities owned or significantly influenced by Directors and/or key management personnel or their relatives and with whom Company has entered into transactions during the period under review.

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

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

V Transaction with related parties

(Rs. in lakhs)

Type of Transaction	Financial Year	Parties referred in I & II above	Parties referred in III & IV above	Total	Outstanding as on 31-03-2010 Debit / (Credit)
Unsecured Loan	2009-10	(212.30)	-	(212.30)	(163.61)
	2008	(794.26)	-	(794.26)	-
Sub-Let Rent	2009-10	104.59	-	104.59	-
	2008	75.18	-	75.18	-
Remuneration	2009-10	83.14	-	83.14	-
	2008	57.00	-	57.00	-
Contribution to Gratuity Funds	2009-10	-	8.73	8.73	-
	2008	-	9.27	9.27	-

Company has paid Rs.104.59 Lakhs (Previous Year Rs.75.18 Lakh) 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.

4. 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.
5. The balances of sundry debtors and sundry creditors are subject to confirmation from respective parties.
6. Additional information pursuant to the provisions of paragraphs 3, 4, 4B, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 are given to the extent applicable

(a) Installed Capacity and Production:

Particulars		Unit	Installed Capacity	Production
Crushing & Filtration	2009-10	MT	106,150	72,418
	2008	MT	35,000	33,687

- (i) Installed capacity is as certified by the Management of the Company and accepted by the Auditors as this is a technical matter.
- (ii) The Company's products are exempted from licensing provision under the Industries (Development & Regulation) Act, 1951.



(b) Particulars in respect of Finished Goods:

Particulars	Financial Year	Manufactured Goods		By Products	Total	
		Qty (In. MT)	Value (Rs. in lakhs)	Value (Rs. in lakhs)	Qty (In. MT)	Value (Rs. in lakhs)
Opening Stock	2009-10	119.88	473.21	4.89	119.88	478.10
	2008	65.91	144.84	2.74	65.81	147.59
Purchases/ Production*	2009-10	72,418.42	36,719.51	-	72,418.42	36,719.51
	2008	33,687.42	23,240.33	-	33,687.42	23,240.33
Turnover	2009-10	70,914.95	46,124.25	71.94	70,914.95	46,196.19
	2008	33,633.35	31,585.38	190.21	33,633.35	31,775.59
Closing Stock	2009-10	1,623.35	1,315.63	-	1,623.35	1,315.63
	2008	119.88	473.21	4.89	119.88	478.10

*Purchase inclusive of purchase for Re-sale

(c) Value of raw material, stores and spare parts consumed:

Particulars	Financial Year	Raw Material Value (Rs. in lakhs)	%	Packing Material Value (Rs. in lakhs)	%
Imported	2009-10	NIL			
	2008				
Indigenous	2009-10	35552.63	100%	2035.65	100%
	2008	23240.33	100%	1727.23	100%

(d) Managerial Remuneration under section 198 of the Companies Act, 1956

Salaries including salary paid to the following: -

(Amount in Lakhs)

Sr.	Name	Designation	2009-10	2008
1	Shaukat S. Tharadra	Chairman and Managing Director	34.76	18.18
2	Rashid I Tharadra	Whole-time Director	10.84	3.73
3	Azamkhan. F. Lohani	Whole-time Director	10.84	9.00
4	Abdulla K Musla	Whole-time Director	10.84	1.87
5	Manavendra S.Gokhale	Chief Executive Officer (w.e.f. Nov-09)	15.88	-

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.

(e) Other information

(Rs. in lakhs)

Payment to Auditors (inclusive of Service Tax):	2009-10	2008
- Audit Fees	6.62	3.00
- Tax Audit Fees	2.76	0.54
- Certification Fees	3.30	-

7. The disclosures as required to be made relating to Micro, Small and Medium Enterprise under the Micro, Small and Medium enterprises development Act, 2006 (MSMED) are not furnished in view of the non availability of information with the Company from such Enterprises.

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



At the Year Ended	2009-10	2008
Profit After Tax (Rs. in lakhs)	35,89.48	2,961.88
Weighted average no. of shares outstanding	31,521,093	24957418
Diluted weighted average shares outstanding	31,521,093	24957418
Nominal Value of Equity Share (in Rs.)	10	10
Basic EPS	11.39	11.87
Diluted EPS	11.39	11.87

9. Segment Information

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.

10. The Initial Public Offering (IPO) proceeds have been utilized as per the Object of the Issue as stated in the prospectus as under

	Amount in Lakhs
Funds raised through Public Offer	11400.00

Sl.	Funds Utilized	Projected	Actual
1	Setting up of Refinery, Crushing unit & Other facilities at Manor & Jaipur (including professional fees, Research & Development, other assets and Provision for Contingencies).	6,470.47	6,349.00
	General Corporate Purposes	1,697.03	1,625.00
	Margin Money for Working Capital Requirements	1,466.80	1,485.73
	Brand Promotions	841.23	-
	Public Issue Expenses	924.47	1,090.27
	Balance in Current Accounts and Deposits		850.00
	Total	11,400.00	11,400.00

11. The Company has changed its financial year end from 31st December to 31st March annually, with effect from current financial year. Accordingly, the financial statements for the current financial are made up from 1st January, 2009 to 31st March, 2010 (15 Months). The corresponding figures for the previous year relate to the period 1st January 2008 to 31st December 2008 (12 Months). Therefore, the two are not comparable.
12. There are no dues payable to the Investor Education and Protection Fund as at 31st March 2010.
13. Balance with Non Schedule Bank held in Current Accounts:

Amount in Lakhs

Sl	Name of Bank	As at 31-03-2010	As at 31-12-2008	Maximum Balance outstanding during the year
1	The Kalyan Janta Sahakari Bank Ltd	0.56	0.56	0.56
2	The Thane District Co-Op Bank Ltd	5.06	0.86	5.31
3	Mogaveera Co-Op Bank Ltd	521.82	3.09	521.82

14. Disclosure as defined in the Accounting Standard 15 is not given as the report from Actuary is awaited.
15. Particulars 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.
16. (a) The figures in brackets or in shaded background represent those of previous year.
(b) The figures for the previous year have been regrouped-rearranged wherever necessary to conform to current period classification.

Signature To Schedule "1" TO "23"

As per our report of even date attached

For M. K. Gohel & Associates

Chartered Accountants
Firm Registration No. 103256W

Mukesh K. Gohel

Proprietor
Membership No. 038823
Place : Mumbai
Date : 3rd September 2010

For and on behalf of Board of Directors

Shaukat S. Tharadra
Chairman & Managing Director

Abdulla K. Musla
Wholetime Director

Rashid I. Tharadra
Wholetime Director

Azamkhan F. Lohani
Wholetime Director

Alok A. Desai
Company Secretary



**Additional information as required under part IV to the Companies Act, 1956
(Refer Note 15 of the Schedule "23")**

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	133714	State Code	11
Balance Sheet Date	31 03 2010		

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

Public Issue	95,000	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	3,547,779	Total Assets	3,547,779
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Sources of Funds

Share Capital	360,101	Reserves and Surplus	2,033,166
Share Application Money	-	Deferred Tax Liability	2,006
Secured Loans	556,276	Unsecured Loans	30,240

Application of Funds

Net Fixed Assets	904,786	Investments	250
Net Current Assets	2,076,752	Misc. Expenditure	-
Accumulated Losses	NIL		

IV. Performance of Company (Rs.in thousands)

Turnover/Total Income	4,712,827	Total Expenditure	4,189,273
Profit Before Tax	523,554	Profit after Tax	358,948
Earning Per Share in Rs. (Basic)	11.39	Dividend Rate (Per Share)	NIL
Earning Per Share in Rs. (Diluted)	11.39		

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



RAJ OIL MILLS LIMITED

Regd. 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 _____ resident 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 8th Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 10.30 a.m.
 at Bhavan Kanji Khetsey Sabhagriha, Bhartiya Vidya Bhavan Kalakendra, Munshi Sadan, Kulapati K.M. Munshi
 Marg, Chowpatty, Mumbai - 400 007 and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix Re.1.00
 Revenue
 Stamp

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

Regd. 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 8th Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 10.30 a.m. at Bhavan Kanji Khetsey Sabhagriha, Bhartiya Vidya Bhavan Kalakendra, Munshi Sadan, Kulapati K.M. Munshi Marg, Chowpatty, Mumbai - 400 007 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)

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