

**Mukesh K. Gohel**

B.Com., F.C.A., DISA(ICA)

Telephone/Compufax No.: 28078033

Email: [mkgohel@vsnl.com](mailto:mkgohel@vsnl.com) / [mkgohel@mtnl.net.in](mailto:mkgohel@mtnl.net.in)

## **M. K. GOHEL & ASSOCIATES**

CHARTERED ACCOUNTANTS

4, Ghadiali Chawl, Behind Sonal Apts., Near Bhurabhai Arogya Bhuvan Hall, Sarojini Naydu Road,  
Kandivli (West), Mumbai: 400 067.

### **LIMITED REVIEW REPORT FOR RAJ OIL MILLS LIMITED**

Review Report to the Board of Directors of Raj Oil Mills Limited for the quarter ended 31<sup>st</sup> December, 2009

We have reviewed the accompanying statement of unaudited quarterly financial statements of Raj Oil Mills Limited for the Quarter ended December 31, 2009. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on January 29, 2010. Our responsibility is to issue a report on these unaudited quarterly financial statements based on our limited review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

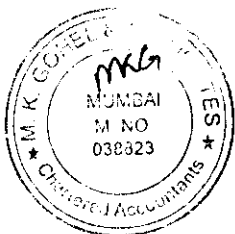
Based on our review conducted as above and subject to paragraph (1) and (2) given below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited quarterly financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

- (1) The Company has not disclosed as to how the qualifications by the Auditors on the audited accounts for the Accounting Year ended December 31, 2008, have been resolved.
- (2) The status of matters that were subject matter of Auditor's Qualifications on the Financial Statements for the year ended December 31, 2008, is as under:
  - (a) The Company does not have an Internal Audit System commensurate with the nature of business

#### **Current Status:**

The Company has appointed M/s K. C. Jain & Co. as Internal Auditors

- (b) The Company had vide a Multi – Option Facility Agreement dated March 29, 2008, availed of a credit facility of INR 1,000 lacs from Barclays Bank PLC. As per terms of the Multi – Facility Agreement, the Company was required to create a Charge on its Immovable Properties, Movable Fixed Assets and Current Assets within 180 days of the First disbursement of funds. Pursuant to



the failure of the Company to furnish such a security to Barclays Bank PLC, the lender vide letter dated November 15, 2008, called upon the Company to repay outstanding amount of Rs. 4.5 crores in two installments – Rs. 2 Crores by November 30, 2008 and balance 2.5 Crores by December 31, 2008. The said letter further stipulated that the non-payment of dues would attract penal interest of 24% p.a. The Amount to be repaid as on March 31, 2009 is Rs. 150.90 lacs.

**Current Status:**

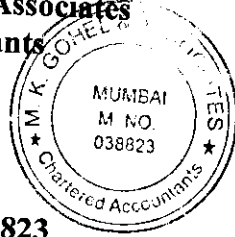
The Company has subsequently repaid the entire outstanding amount of Rs. 150.90 Lakhs on July 16, 2009.

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

*M. K. Gohel*

**Mukesh K. Gohel**  
Proprietor.

**Membership No. 038823**



Place: Mumbai

Date: January 29, 2010