

August 8, 2017

To,



**RAJ OIL MILLS LTD.**

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai- 400 001

**National Stock Exchange of India Ltd.**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051

**Sub: Outcome of Board Meeting held on August 8, 2017**

Dear Sir,


Pursuant to Regulation 33 of SEBI (Listing Obligation And Disclosure Requirement) Regulation, 2015, we would like to inform your good office that the Board of Directors of the Company at their meeting held on August 8, 2017 have approved the following business:

1. The Board of the Directors of the Company had approved Unaudited Financial results for the Quarter and Year ended 31<sup>st</sup> March, 2017 on 30<sup>th</sup> May, 2017. The Board of Directors have adopted and approved the Audited Financial results for the quarter and year ended March 31, 2017
2. The Board of Directors of the Company Approved the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017 along with the Auditors' Report thereon.
3. Approved Un-Audited Financial Results for the quarter ended June 30, 2017 along with the Limited Review Report as on that date.

The meeting concluded at 06.30 p.m.

Request you to kindly take this letter on record and acknowledge the receipt.

Thanking you  
Yours faithfully  
For Raj Oil Mills Limited

  
**Azamkhan Lohani**  
Whole time Director  
DIN: 01211179



For RAJ OIL MILLS LTD.

  
(U V G NAYAK)  
Interim Resolution Professional



# RAJ OIL MILLS LTD.

RAJ OIL MILLS LTD

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

CIN: L15142MH2001PLC133714

EMAIL ID: cs@rajoilmillsLtd.com

Part-I		(Rs. In Million)			
S. NO.	PARTICULARS	QUARTER ENDED			
		(Unaudited)			(Audited)
		30.6.2017	31.03.2017	30.06.2016	31.03.2017
1	<b>Income from Operations</b>				
	(a) Net sales/ Income from operations	153.88	108.35	169.18	588.40
	(b) Other Operating Income	-	-	-	-
	<b>Total Income from Operation (Net)</b>	<b>153.88</b>	<b>108.35</b>	<b>169.18</b>	<b>588.40</b>
2	<b>Expenses</b>				
	a) (Increase)/Decrease in Stock in trade and work in progress	(3.88)	3.05	(0.16)	2.54
	b) Consumption of Raw & Packing Materials	124.56	86.74	130.40	460.25
	c) Employees benefits expenses	15.82	17.65	19.34	75.91
	d) Depreciation and amortisation expense	7.48	5.83	12.91	34.33
	e) Other Expenditure	15.69	19.80	22.64	80.55
	<b>Total expenses</b>	<b>159.67</b>	<b>133.08</b>	<b>185.13</b>	<b>653.59</b>
3	<b>Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)</b>	<b>(5.80)</b>	<b>(24.73)</b>	<b>(15.95)</b>	<b>(65.19)</b>
4	Other Income	0.30	0.84	0.07	1.09
5	<b>Profit form ordinary activities before finance costs and Exceptional Items (3+4)</b>	<b>(5.50)</b>	<b>(23.89)</b>	<b>(15.88)</b>	<b>(64.10)</b>
6	Finance costs	0.42	(0.90)	0.56	0.85
7	<b>Profit from ordinary activities after finance costs but before exceptional Items (5-6)</b>	<b>(5.92)</b>	<b>(22.99)</b>	<b>(16.44)</b>	<b>(64.95)</b>
8	Exceptional Items	-	132.98	-	132.98
9	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>(5.92)</b>	<b>(155.97)</b>	<b>(16.44)</b>	<b>(197.93)</b>
10	Tax Expenses (net)	-	39.50	-	39.50
11	<b>Net Profit/(Loss) - from ordinary activities after tax (9-10)</b>	<b>(5.92)</b>	<b>(116.47)</b>	<b>(16.44)</b>	<b>(158.44)</b>
12	Extraordinary items	-	-	-	-
13	<b>Net Profit/ (Loss) for the period (11-12)</b>	<b>(5.92)</b>	<b>(116.47)</b>	<b>(16.44)</b>	<b>(158.44)</b>
14	Share of profit/ (Loss) of Associates Company	-	-	-	-
15	Minority Interest	-	-	-	-
16	<b>Net Profit/ (Loss) after Taxes, Minority Interest and share of Profit / (Loss) of Associates (13+14+15)</b>	<b>(5.92)</b>	<b>(116.47)</b>	<b>(16.44)</b>	<b>(158.44)</b>
17	Paid-up equity share capital (Face Value of Rs. 10/- each)	749.43	749.43	749.43	749.43
18	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	(1,191.98)	(1,186.06)	(1,044.06)	(1,186.06)
19	Basic and Diluted Earning Per Share (EPS) ₹ (not annualised)	(0.02)	(0.39)	(0.05)	(2.11)
<b>PART II</b>					
<b>Information for the Quarter and Year Ended 30th June, 2017</b>		<b>Quarter Ended</b>			
		<b>30.6.2017</b>	<b>31.03.2017</b>	<b>30.06.2016</b>	<b>31.03.2017</b>
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>				
1	Public Shareholding				
	-Number of Shares	74,815,338	74,815,338	74,913,338	74,815,338
	-Percentage of Shareholding	99.83%	99.83%	99.96%	99.83%
2	Promoters and Promoter Group Shareholding:				
a)	Pledged/ Encumbered				
	-Number of Shares	-	-	-	-
	-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	-Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-
b)	Non-encumbered				
	-Number of Shares	128,100	128,100	30,100	128,100
	-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	-Percentage of Shares (as a % of the total share capital of the Company)	0.17%	0.17%	0.04%	0.17%



For RAJ OIL MILLS LTD.

Regd. Office: 224, Bellasis Road, Mumbai-400 008. Tel.: 2302 1996-98 • Fax: 2301 5605 • e-mail: contact@rajoilmillsLtd.com • website: www.rajoilmillsLtd.com  
 Factory: Ten Village (Manor), Taluka-Palghar, District-Palghar (M.S.), Pin-401 404. Tel.: (02525)655551 • e-mail: factory@rajoilmillsLtd.com • CIN No.: L15142MH2001PLC133714  
**(U. V. G. NAYAK)**  
 Interim Resolution Professional



# RAJ OIL MILLS LTD.

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 8th August, 2017
- 2 **Investor Complaints -30/06/2017**

Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed off during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil
- 3 The company has only one reportable business segment and hence segment reporting as per-AS-17 is not applicable
- 4 Figures have been regrouped/restated wherever necessary to make them comparable.
- 5 The financial results of the company have been prepared in accordance with Ind AS, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and accounting principles generally accepted in India.

Place: Mumbai  
Date : August 8, 2017

On behalf of the Board of Directors  
For Raj Oil Mills Ltd

*Rashid I. Tharadra*

Rashid I Tharadra  
Managing Director  
DIN- 02060609



**For RAJ OIL MILLS LTD.**

*U V G NAYAK*

**(U V G NAYAK)  
Interim Resolution Professional**



## B.M. Gattani & Co.

Chartered Accountants

702, B-Wing, Om Sai Sharvan, Opp. Shimpoli Telephone Exchange, New Link Road,  
Shimpoli, Borivali (W), Mumbai - 400092  
Tel. 022-28988811, Mob. 91+9022988811, 91+9323988811

E-mail:- [balmukundgattani@yahoo.co.in](mailto:balmukundgattani@yahoo.co.in)

### INDEPENDENT AUDITOR'S REVIEW REPORT

To,  
The Board of Directors  
M/s Raj Oil Mills Ltd

We have reviewed the accompanying statement of unaudited Financial Results of M/s RAJ OIL MILLS LTD ("the company") for the quarter ended June 30,2017,being submitted by the Company in pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as modified by Circular No."CIR/CFD/FAC/62/2016" dated July 05, 2016.

This statement is the responsibility of the Company's management and has been approved by the Board of Directors and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards i.e. Ind AS, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the standard on review engagement (SRE) 2410 "Review of Interim Financial Information performed by Independent Auditors of the Entity" 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 statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides 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 stated above, nothing has come to our attention that cause us to believe that the accompanying statement of unaudited financial results has not been prepared in all material respects in accordance with applicable Indian Accounting Standards(i.e Ind AS) and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations,2015 read with SEBI circular dated July 05,2016 including the manner in which it is disclosed, or that it contains any material misstatement.

For B.M Gattani & Co.  
Chartered Accountants  
FRN: - 113536W

*Battani*

B.M. Gattani  
Proprietor  
Mem. No :-047066



Place: Mumbai  
Date :- 08/08/2017



# RAJ OIL MILLS LTD.

RAJ OIL MILLS LTD

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2017

CIN: L15142MH2001PLC133714

EMAIL ID: cs@rajoilmills.com

Part-I		(Rs. In Million)				
S. NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	YEAR ENDED
		(Unaudited)			(Audited)	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
1	<b>Income from Operations</b>					
	(a) Net sales/ Income from operations	108.35	160.34	168.58	588.40	724.69
	(b) Other Operating Income	-	-	-	-	-
	<b>Total Income from Operation (Net)</b>	<b>108.35</b>	<b>160.34</b>	<b>168.58</b>	<b>588.40</b>	<b>724.69</b>
2	<b>Expenses</b>					
	a) (Increase)/Decrease in Stock in trade and work in progress	3.05	0.23	(1.21)	2.54	3.10
	b) Consumption of Raw & Packing Materials	86.74	127.73	140.85	460.25	578.19
	c) Employees benefits expenses	17.65	19.39	21.13	75.91	66.22
	d) Depreciation and amortisation expense	5.83	2.68	12.56	34.33	52.76
	e) Other Expenditure	19.80	16.12	27.39	80.55	88.48
	<b>Total expenses</b>	<b>133.08</b>	<b>166.15</b>	<b>200.72</b>	<b>653.59</b>	<b>788.75</b>
3	<b>Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)</b>	<b>(24.73)</b>	<b>(5.81)</b>	<b>(32.14)</b>	<b>(65.19)</b>	<b>(64.06)</b>
4	Other Income	0.84	0.16	(0.51)	1.09	0.23
5	<b>Profit from ordinary activities before finance costs and Exceptional Items (3+4)</b>	<b>(23.89)</b>	<b>(5.66)</b>	<b>(32.65)</b>	<b>(64.10)</b>	<b>(63.83)</b>
6	Finance costs	(0.90)	0.38	(0.20)	0.85	2.24
7	<b>Profit from ordinary activities after finance costs but before exceptional Items (5-6)</b>	<b>(22.99)</b>	<b>(6.04)</b>	<b>(32.45)</b>	<b>(64.95)</b>	<b>(66.07)</b>
8	Exceptional Items	132.98	-	-	132.98	-
9	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>(155.97)</b>	<b>(6.04)</b>	<b>(32.45)</b>	<b>(197.93)</b>	<b>(66.07)</b>
10	Tax Expenses (net)	39.50	-	(5.80)	39.50	(5.80)
11	<b>Net Profit/(Loss) - from ordinary activities after tax (9-10)</b>	<b>(116.47)</b>	<b>(6.04)</b>	<b>(26.65)</b>	<b>(158.44)</b>	<b>(60.27)</b>
12	Extraordinary items	-	-	-	-	-
13	<b>Net Profit/ (Loss) for the period (11-12)</b>	<b>(116.47)</b>	<b>(6.04)</b>	<b>(26.65)</b>	<b>(158.44)</b>	<b>(60.27)</b>
14	Share of profit/ (Loss) of Associates Company	-	-	-	-	-
15	Minority Interest	-	-	-	-	-
16	<b>Net Profit/ (Loss) after Taxes, Minority Interest and share of Profit / (Loss) of Associates (13+14+15)</b>	<b>(116.47)</b>	<b>(6.04)</b>	<b>(26.65)</b>	<b>(158.44)</b>	<b>(60.27)</b>
17	Paid-up equity share capital (Face Value of Rs. 10/- each)	749.43	749.43	749.43	749.43	749.43
18	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	(1,186.06)	(1,069.57)	(1,027.62)	(1,186.06)	(1,027.62)
19	Basic and Diluted Earning Per Share (EPS) ₹ (not annualised)	(0.39)	(0.02)	(0.09)	(2.11)	(0.80)
<b>PART II</b>						
<b>Information for the Quarter and Year Ended 31st March, 2017</b>		Quarter Ended			Year Ended	Year Ended
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
<b>A PARTICULARS OF SHAREHOLDING</b>						
1	Public Shareholding					
	-Number of Shares	74,815,338	70,882,008	74,913,338	74,815,338	74,913,338
	-Percentage of Shareholding	99.83%	99.82%	99.96%	99.83%	99.96%
2	Promoters and Promoter Group Shareholding:					
	a) Pledged/ Encumbered					
	-Number of Shares	-	-	-	-	-
	-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	-Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-	-
	b) Non-encumbered					
	-Number of Shares	128,100	128,100	30,100	128,100	30,100
	-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	-Percentage of Shares (as a % of the total share capital of the Company)	0.17%	0.18%	0.04%	0.17%	0.04%



For RAJ OIL MILLS LTD.

(U V G NAYAK)

Interim Resolution Professional

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# RAJ OIL MILLS LTD.

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 8th May, 2017
- 2 **Investor Complaints -31/03/2017**

Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed off during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil
- 3 The company has only one reportable business segment and hence segment reporting as per-AS-17 is not applicable
- 4 Figures have been regrouped/restated wherever necessary to make them comparable.
- 5 Deferred Tax Liabilities/(Assets) is determined as Per AS-22 issued by ICAI at the year end.

Place: Mumbai  
Date : August 8, 2017

On behalf of the Board of Directors  
For Raj Oil Mills Ltd

*Rashid I. Tharadra*

Rashid I Tharadra  
Managing Director  
DIN- 02060609



**For RAJ OIL MILLS LTD.**

*(U V G NAYAK)*

**(U V G NAYAK)  
Interim Resolution Professional**



## **B.M. Gattani & Co.**

Chartered Accountants

702, B-Wing, Om Sai Sharvan, Opp. Shimpoli Telephone Exchange, New Link Road,  
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### **INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
**RAJ OIL MILLS LIMITED**  
Mumbai.

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of RAJ OIL MILLS Limited, (the "Company"), which comprise of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013 (" the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies ( Accounts ) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for the preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent ; and design , implementation and maintenance of adequate internal financial control , that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its statement of profit and loss account, of the Loss, and its cash flows for the year ended on that date.





### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) The Annual General Meeting (AGM) convened to be held on 30<sup>th</sup> September, 2016 could not held on that date due to stay granted by Honorable High Court Mumbai vide its order dated 26<sup>th</sup> September 2016. As the AGM was not convened, the ratification of Auditor and Adoption of Accounts could not take place. Our audit for the year 2016-17 was carried out based on the approval granted by the shareholders at the 12<sup>th</sup> AGM held on 30<sup>th</sup> September, 2014 and the Audited accounts for the year 2015-16.
- b) As per the information given to us that National Company Law Tribunal (NCLT), Mumbai Bench passed Order dated 10-07-2017 has admitted the reference for Initiation of Corporate Insolvency Resolution process under Section 10 of the Insolvency and Bankruptcy Code (IBC), 2016. The Company is now Insolvency Resolution process under the provisions of IBC.
- c) In the financial statement which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash outflow during the current and previous year (s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. However, the financial statements of the Company have been prepared on a going concern basis.
- d) During the period under audit, the Company's factory unit situated at Jaipur-Bagru, Rajasthan was auctioned by Edelweiss Assets Reconstruction Co. Limited which were significant part of fixed assets of the company. However, despite the disposal of factory the fundamental accounting assumption of going concern is not affected and the financial statements of the Company have been prepared on a going concern basis.
- e) In absence of confirmation and other relevant documents of balances of trade receivable as on 31.03.2017 were outstanding for more than 3 years and therefore are considered as doubtful.
- f) In the absence of details of testing for impairment of assets viz. Refinery plant which were not operational, we are unable to state whether provision, if any, is required to be made in this regard.
- g) Expenses selected on a sample basis; in some cases, full supporting documents were not made available for our verification.



h) Long term Loan and Advances include advances to parties of Rs.41.01 crores and Short term Advances of Rs 11.44 crores which were outstanding for more than three years. No supporting documents /confirmation were made available for our verification.

i)The company is required to maintain the cost record for the manufacturing process but has not maintained the cost of material consumed on actual consumption basis, instead accounted for the difference of inventory as "presumed to be consumed" against production cost of unit produced, resultantly all the normal and abnormal losses (if any) are adjusted in the production cost. However no cost audit was carried out during the year.

j) No internal audit carried out by the company during the period under review.

#### **Qualified opinion.**

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in paragraphs (a) to (j) above, and the resulting effects of all these on the relevant assets, liabilities and the loss for the period which are not quantifiable the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance sheet of the State of affairs of the Company as at 31st March 2017
- ii) In the case of the Profit & Loss Account, of the 'Loss' for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

#### **Report on other Legal and Regulatory Requirement**

As required by 'the Companies (Auditor's Report) Order, 2016' ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of Companies Act, 2013, we give in the Annexure- A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

#### **As required by section 143(3) of the Act, we report that:**


- i) Except as stated in our comments basis of our opinion, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. However as explained above, we are unable to comment upon the complete compliance with accounting standard AS - 28 Impairment of Assets".
- v) On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, directors are disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act; and
- vi) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "B"
- vii) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
- (a) The Company has not disclosed the impact of pending litigations which would impact its financial position as mentioned in clause vii (b) and clause viii of the auditor's report.
- (b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- (c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 08/08/2017  
Place: Mumbai.

For **B. M. Gattani & Co.**  
Chartered Accountants  
FRN: 113536W



*Battani*  
**B. M. Gattani**  
Proprietor  
Membership No. 047066

## Annexure - B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of RAJ OIL MILLS LIMITED ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our



audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**Opinion**

In our opinion, the Company has not in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR B.M.GATTANI & CO.  
CHARTERED ACCOUNTANTS  
FRN: 113536W

*Battaw*



B.M.GATTANI  
PROPIETOR  
M.No : 047066  
Place : Mumbai  
Date : 08/08/2017