# RAJ OIL MILLS LTD.

August 13, 2018

To,

| | |
|---|---|
| **BSE Ltd**<br>Phiroze Jeejeebhoy Towers<br>Dalal Street,<br>Mumbai- 400 001<br>**Script Code:- 533093** | **National Stock Exchange of India Ltd.,**<br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (East),<br>Mumbai - 400 051 |

Dear Sir/Madam,

**Subject: Outcome of Board Meeting dated August 13, 2018**

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 today i.e. on August 13, 2018, have approved the following agenda items:

1. Audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2018 along with Audited Standalone Statement of Assets & Liabilities as at March 31, 2018. Further the statutory Auditor of the Company have issued their report on the Standalone Financial statements of the Company with modified opinion on the financial results for the year ended March 31, 2018.

2. The Standalone Un-Audited Financial Results of the Company for quarter and three months ended June 30, 2018.

3. Limited Review Report on the Standalone Un-Audited Financial Results for quarter and three months ended June 30, 2018.

4. The Board of Directors of the Company has decided to make an application to the Registrar of Companies, Mumbai for seeking extension of time for convening the Annual General Meeting for the financial year 2017-18 up-to a period of 3 (three) months as may be granted by the Registrar of Companies.

The meeting of the Board of Directors commenced at 11.45 a.m. and concluded at 05.50 p.m.

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

**For Raj Oil Mills Limited**

RAJ OIL MILLS LTD. MUMBAI

**Sufyan Maknojia**
**Managing Director**
**DIN: 08003749**

# B.M. Gattani& Co.

Chartered Accountants

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

**E-mail:-** balmukundgattani@yahoo.co.in


## INDEPENDENT AUDITOR'S REPORT
### TO THE MEMBERS OF RAJ OIL MILLS LIMITED

### REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **Raj Oil Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for 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 controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

B. M. GATTANI & CO. MUMBAI MEM. NO. 047066 Chartered Accountants

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS 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 thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

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

Indian Accounting Standard (Ind AS) - 101 requires to provide details of material adjustments relating to Balance Sheet and Statement of Profit and Loss in compliance to all applicable Ind AS in the Equity Reconciliation Statement with respect of reported and restated figures; the company has disclosed net effect of these adjustments due to transition to Ind AS in the Equity Reconciliation Statement.

## *BASIS OF QUALIFIED OPINION*

1) *As detailed in **Note no. 9** and **Note no. 11(A)** of the Ind AS Financial Statement, **Long Term and Short Term Borrowing** from the various lenders are subject to confirmation from the party. Also the company has not provided interest in any borrowing shown under **Note 9** and **Note 11(A)** of the Ind AS Financial Statement.*

2) *As detailed in **Note no. 11(B)** of the Ind AS Financial Statement, **Trade Payables** and as detailed in **Note 11(C)** of the Ind AS Financial Statement, **Security Deposits Received from Distributors** are subject to confirmation.*

3) *We have not been provided with proper supporting documents and audit evidence to justify **Investments in shares** shown in **Note 2(A)** of the Ind AS Financial Statement.*

4) *No proper explanation, supporting documents and audit evidence have been made available for **Long Term Loans and Advances** given by the company amounting **to Rs. 52.50 Crore** shown in **Note no. 4(D)** of the Ind AS Financial Statement.*

B. M. GATTANI & CO. MUMBAI MEM. NO. 047066 Chartered Accountants

5) *As detailed in **Note no. 4(A)** of the Ind AS Financial Statement, **Trade receivables** are subject to reconciliation and final confirmation. In absence of confirmation and other relevant documents of balances of trade receivable as on March, 31, 2018 were outstanding more than three years are considered as doubtful.*

6) *Expenses selected on sample basis, in some cases full supporting documents were not made available for our verification.*

7) *The **Net Worth** of the company is totally eroded. Present net worth of the company as on March 31, 2018 is (7918.61)lakhs. The Financial Statement indicates that the Company has accumulated losses and its net worth has been totally eroded, the Company has incurred a net cash inflow during the current year and cash outflow 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.*

8) *As per section 138 of the Companies Act, 2013, read with rule 13 of Companies (Accounts) Rules, 2014, the company is required to appoint an internal auditor to check whether the company has complied with all the applicable laws and thereafter a report is prepared by the Internal Auditor stating the compliances and material deviations if any. The company has not appointed any Internal Auditor during the year.*

9) *As per section 148 of the Companies Act, 2013, read with Rule 3 (B)-20- "Non-Regulated Sector –Edible Oil" and Rule 5 – of Companies (Cost Records and Audit) Rules, 2014, the company is required to maintain the cost record for the manufacturing process but has not maintained the records of cost of materials consumed on actual consumption basis.*

   *Also, as per Rule 6 of Companies (Cost Records and Audit) Rules, 2014, no cost audit has been carried out by the company during the year under review.*

10) *We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.We are unable to comment on the impact on the above mentioned qualifications in the Ind AS Financial Statement of the company.*

## QUALIFID OPENION

In our opinion, and to the best of our information and according to the explanations given to us, except for the matter described in the Basis of Qualified Opinion paragraph above, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

B. M. GATTANI & CO. MUMBAI MEM. NO. 047066 Chartered Accountants

## EMPHASIS OF MATTERS

We draw your attention to the following matters:

1) The Annual General Meeting (AGM) convened to be held on 30th September, 2016 could not held on that date due to stay granted by Honorable High Court Mumbai vide its order dated 26th September 2016. As the AGM was not convened, the ratification of Auditor and Adoption of Accounts could not take place. Our audit for the Financial Year 2017-18 was carried out based on the audited accounts for the year 2016-17.
2) As per the information provided to us that National Company Law Tribunal, (NCLT) Mumbai Bench passed order dated July 10, 2017 has admitted the reference to initiate Corporate Insolvency Resolution Process against the company under section 10 of the Insolvency and Bankruptcy Code, 2016. An application has moved for approval of Resolution Plan. After considering the approval of the Final Resolution Plan received from Rubberwala Housing and Infrastructure Limited, jointly with Mukhi Industries Limited by the Committee of Creditors on December 22, 2017, the National Company Law Board has passed its order under section 31(1) of Insolvency & Bankruptcy Code 2016 vide MA No 35 of 2018 in CP No. 1132/I&BC/MB/MAH/2017 Dated April 19, 2018. Refer Note – 33 of Ind AS financial statement for the highlights of the order and approved Resolution Plan.

3) As per information and explanation given to us, there are some serious irregularities in the nature of tampering with purchase documents and falsification of accounts relating to purchase of material from to Dipiti Veg Oil Limited came to notice of Resolution Professional (RP). Due to substantial cash outgo from the irregular transaction, the new management engaged an independent firm of Chartered Accountant for a Special Investigative Audit.

   As per the Special Investigative Audit Report, it was found that there is irregular transaction Rs. 1.75 Crores (Purchase of Rs 1.66 crores plus Rs.09 crores as GST) from Dipti Veg oils Limited. A petition has been filled before National Company Law Tribunal, (NCLT) Mumbai Bench for recovery the same. The Company has treated the irregular cash outgo to Dipti Vegoils Ltd. as receivable from Dipti Vegoils Ltd., and the same is in order.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

B. M. GATTANI & CO. MUMBAI MEM. NO. 047066 Chartered Accountants

(b) Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.

(d) Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements are complied with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) The matters described in the 'Basis of Qualified Opinion' and 'Emphasis of Matter' paragraphs above, in our opinion may have an adverse effect on the functioning of the Company;

(f) The Board of Directors has been suspended as on the balance sheet date 31st March, 2018, as regard to Section 17(1) (b) of "The Insolvency and Bankruptcy Code, 2016". The powers of the Board are being exercised by the Resolution Professional and Insolvency Resolution Professional with effect from Commencement of Insolvency Resolution process (CIRP) i.e. 10th July, 2017.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – **Refer Note 32** to the standalone Ind AS financial statements.
2. The company does not have any long term contracts including derivatives contracts for which there were any material foreseeable losses. and
3. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. M. Gattani & Co.**
Chartered Accountants
Firm Registration No.: 113536W

B. M. GATTANI & CO. MUMBAI MEM. NO. 047066 Chartered Accountants

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

Place: Mumbai
Date: August 13, 2018

RAJ OIL MILLS LTD

224, Belasis Road, Nagpada, Mumbai-400 008

CIN: L15142MH2001PLC133714 EMAIL ID: cs@rajoilmillsltd.com

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

*Rs in lacs*

| Sr. No. | Particulars | 3 months ended 31.03.2018 | Preceeding 3 month ended 31.12.2017 | corresponding 3 month ended 31.03.2017 | Year Ended | |
|---|---|---|---|---|---|---|
| | | | | | 31-03-18 | 31-03-17 |
| | | Refer note no 4 | Unaudited | Refer note no | Audited | Audited |
| 1 | **Revenue** | | | | | |
| (a) | Revenue from Operations | 1,301.21 | 1,542.43 | 1,083.45 | 5,971.51 | 5,883.96 |
| (b) | Other Income | 1.32 | - | 8.42 | 5.38 | 10.89 |
| | **Total Revenue** | **1,302.53** | **1,542.43** | **1,091.88** | **5,976.90** | **5,894.85** |
| 2 | **Expenses** | | | | | |
| (a) | (Increase)/Decrease in Stock in trade | (6.92) | 2.31 | 30.49 | (5.48) | 25.40 |
| (b) | Consumption of Raw & Packing Materials | 963.43 | 1,192.46 | 867.43 | 4,604.34 | 4,602.51 |
| (c) | Employee Benefits Expenses | 135.05 | 140.26 | 200.10 | 585.74 | 782.69 |
| (d) | Finance Costs | (0.93) | - | (9.00) | 3.26 | 8.49 |
| (e) | Depreciation and Amortisation Expenses | 45.78 | 45.79 | 58.28 | 212.20 | 343.32 |
| (f) | Other Expenses | 88.89 | 82.95 | 198.05 | 426.30 | 805.55 |
| (g) | Impairment of PPE | 4,326.91 | - | - | 4,326.91 | - |
| | **Total Expenses** | **5,552.22** | **1,463.76** | **1,345.36** | **10,153.28** | **6,567.96** |
| 3 | **Profit / (Loss) Before Exceptional Items (1-2)** | **(4,249.69)** | **78.67** | **(253.49)** | **(4,176.39)** | **(673.12)** |
| 4 | Exceptional Items | - | - | (1,329.80) | - | (1,329.80) |
| 5 | **Profit / (Loss) before Tax (3-4)** | **(4,249.69)** | **78.67** | **(1,583.28)** | **(4,176.39)** | **(2,002.91)** |
| 6 | Tax Expenses | (633.48) | - | (401.09) | (633.48) | (401.09) |
| 7 | **Profit/(Loss) for the year/period** | **(3,616.21)** | **78.67** | **(1,182.19)** | **(3,542.90)** | **(1,601.83)** |
| 8 | **Other Comprehensive Income** | | | | | |
| | **Items that will not be reclassified to profit or loss** | - | - | - | - | - |
| (i) | Acturial gains/(losses) on defined benefit plans | (12.79) | | 23.59 | (12.79) | 23.59 |
| (ii) | Income Tax effect | 3.32 | - | (6.13) | 3.32 | (6.13) |
| | **Total Other Comprehensive Income for the year/period** | **(9.46)** | - | **17.45** | **(9.46)** | **17.45** |
| 9 | **Total Comprehensive Income for the year/period (7+8** | **(3,625.67)** | **78.67** | **(1,164.74)** | **(3,552.37)** | **(1,584.37)** |
| 10 | Paid-up Equity Share Capital (Face Value of Rs. 10 Each) | 7,494.30 | 7,494.30 | 7,494.30 | 7,494.30 | 7,494.30 |
| 11 | Other Equity (Reserves and Surplus) | (15,412.96) | (11,787.29) | (11,860.59) | (15,412.96) | (11,860.59) |
| 12 | Earnings Per Share (EPS) (* Not Annualised) | | | | | |
| (a) | Basic EPS (Rs.) | (4.84) | 0.10 | (1.55) | (4.74) | (2.11) |
| (b) | Diluted EPS (Rs.) | (4.84) | 0.10 | (1.55) | (4.74) | (2.11) |

RAJ OIL MILLS LTD. MUMBAI

*Rs in lacs*

| STATEMENT OF ASSETS AND LIABILITIES | | |
|---|---|---|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| | Audited | Audited |
| I ASSETS | | |
| (1) **Non Current Assets** | | |
| Property, Plant and Equipment | 2,658.77 | 5,201.88 |
| Capital Work in Progress | - | 1,996.00 |
| | **2,658.77** | **7,197.88** |
| Financial Assets | | |
| Investments | 2.25 | 2.25 |
| Other Financial Assets | 29.18 | 29.60 |
| | **31.43** | **31.85** |
| (2) **Current Assets** | | |
| **Financial Assets** | | |
| Inventory | 166.00 | 51.64 |
| Financial Assets | | |
| Trade Receivables | 1,254.58 | 1,124.34 |
| Cash and Cash Equivalents | 67.61 | 24.24 |
| Other bank balances | 19.47 | 18.27 |
| Loans | 5,250.33 | 5,250.33 |
| Other Financial Assets | 1.09 | 1.09 |
| Current Tax Assets | 0.63 | - |
| Other Current Assets | 0.42 | 0.86 |
| | **6,760.12** | **6,470.75** |
| **Total Assets** | **9,450.31** | **13,700.49** |
| II EQUITY AND LIABILITIES | | |
| **Equity** | | |
| Equity Share Capital | 7,494.34 | 7,494.34 |
| Other Equity | (15,412.96) | (11,860.59) |
| | **(7,918.61)** | **(4,366.25)** |
| **Liabilities** | | |
| **Non Current Liabilities** | | |
| Financial Liabilities | | |
| Long-Term Borrowings | 11,107.53 | 11,123.32 |
| Provision | 22.78 | 7.72 |
| Deferred Tax Liabilities (Net) | 51.30 | 688.11 |
| | **11,181.61** | **11,819.15** |
| **Current Liabilities** | | |
| Financial Liabilities | | |
| Borrowings | 864.61 | 886.62 |
| Trade Payables | 2,050.53 | 2,141.80 |
| Other Financial Liabilities | 684.57 | 666.81 |
| Other Current Liabilities | 1,433.19 | 1,396.31 |
| Provisions | 5.32 | 6.96 |
| Income Tax Liabilities (net) | 1,149.10 | 1,149.10 |
| | **6,187.32** | **6,247.59** |
| TOTAL EQUITY AND LIABILITIES | **9,450.31** | **13,700.49** |

RAJ OIL MILLS LTD. MUMBAI

Notes :

01 The Company is engaged only in single operating segment

02 As the Audit Committee is not constituted as per the provision of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has approved and taken on record the above results at their meeting held on Aug 13, 2018, without recommendation of Audit Committee.

03 The Fixed Assets of the Company has been revalued as per the valuation obtained by the Resolution Professional and the effect of the same has been given in the Profit and Loss Account of the Company.

04 The Company has adopted Indian Accounting Standard (Ind-AS) with effect from April 1, 2017. In line with the Ind-AS, the Company elect to measure its Investment and all financial liabilities and assets at fair value as at April 1, 2016, being the transition date. The impact of the resulted change has been given in the opening reserve and surplus. The figures for the quarter ended March 31, 2018 are the balancing figures between the audited figure in respect of full financial year and the published year to date figures up to the third quarter. The comparative figures of the year ended and quarter ended March 31, 2017 has been restated, reclassify and regrouped to make them comparable with those of current year in line with the Ind-AS

05 Reconcliation of the financial results with those reported under the previous (GAAP) is as

*Rs in Lacs*

| S.No | Particulars | Quarter ended March 31, 2017 | Year ended March 31, 2017 |
|---|---|---|---|
| 1 | Net loss after tax as reported as per previous GAAP | (1,164.74) | (1,584.37) |
| | Remeasurement of actuarial gain on defined benefit plan (net of tax) | 17.45 | 17.45 |
| **2** | **Net loss after tax as per Ind AS** | **(1,182.19)** | **(1,601.83)** |
| 3 | Other Comprehensive Income | 17.45 | 17.45 |
| **4** | **Total Comprehensive Income as per Ind-AS** | **(1,164.74)** | **(1,584.37)** |

06 Reconcliation of Other equity with those reported under the previous (GAAP) is as under

*Rs in Lacs*

| S.No | Particulars | As at March 31, 2017 |
|---|---|---|
| 1 | Other Equity as reported as per previous | (11,860.59) |
| | Adjustment on account of IndAS | - |
| **2** | **Other Equity as per Ind AS** | **(11,860.59)** |

RAJ OIL MILLS LTD. MUMBAI

Place :- Mumbai
Date :- Aug 13, 2018

Sufyan A Makhnojia
Managing Director
DIN-08003749