



**K S OILS LIMITED**  
ANNUAL REPORT 2013-14

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## Company Information

### Board of Directors

Mr. Ramesh Chand Garg  
*Managing Director*  
(DIN : 00027025)

Mr. Davesh Agarwal  
*CFO & Executive Director*  
(DIN : 01102237)

Mr. Sourabh Garg  
*Non-Executive Director*  
(DIN : 00027058)

Mr. Pramod Kumar Mandloi  
*Independent Director*  
(DIN : 00065593)

Mr. Arvind Pandalai  
*Independent Director*  
(DIN : 00352809)

Mr. Brij Mahendra Nandan Singh  
*Independent Director*  
(DIN : 00065519)

Mr. R. S. Sisodia  
*Independent Director*  
(DIN : 00065484)

Mr. Boda Venkat Ram  
*Independent Director*  
(DIN : 03476912)

Mr. B. S. Bhasin  
*Nominee Director (S.B.I)*  
(DIN : 02632863)

Mr. M. B. Kaul  
*Nominee Director (I.D.B.I)*  
(DIN : 00320182)

**Company Secretary**  
Sandeep Kumar

### Bankers

State Bank of India  
Axis Bank (Phoenix ARC Private Limited)  
Andhra Bank  
IDBI Bank  
ICICI Bank  
PNB Bank  
Central Bank of India

### Auditors

M/s Ladha G. D. & Co.  
Chartered Accountants

### Cost Accountants

M/s S. K. Saxena & Co  
Cost Accountant

### Registered Office

Jiwaji Ganj, Morena – 476001,  
Madhya Pradesh, India

### Registrar and Share Transfer Agent

Ankit Consultancy Pvt. Ltd  
60, Electronic Complex,  
Pardeshipura, Indore – 452010

### Board Committees

#### Audit Committee

Pramod Kumar Mandloi, *Chairman*  
R. S. Sisodia  
Boda Venkat Ram

#### Share holder's / Investor's Grievance Committee

Pramod Kumar Mandloi, *Chairman*  
Ramesh Chand Garg  
Davesh Agarwal

#### Remuneration & Compensation Committee

P. K. Mandloi, *Chairman*  
R. S. Sisodia  
B. N. Singh

#### Management & Finance Committee

Ramesh Chand Garg, *Chairman*  
Davesh Agarwal  
P. K. Mandloi  
R. S. Sisodia

## Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty eighth Annual Report and Audited Statement of Accounts for the Financial Period (Fifteen month period) ended on March 31, 2014

(Rs. in Lacs)

1. Financial Highlights	2013-2014 (01/01/2013- 31/03/2014) (15 Months)	2011-2012 (01/07/2011- 31/12/2012) (18 Months)	2013-2014 (01/01/2013- 31/03/2014) (15 Months)	2011-2012 (01/07/2011- 31/12/2012) (18 Months)
Revenue From operations	100982	382330	101539	383051
Less: Excise Duty	98	236	98	236
<b>Net Revenue from operations</b>	<b>100884</b>	<b>382094</b>	<b>101441</b>	<b>382815</b>
Profit/Loss before Finance cost, Depreciation, Exceptional Items and Taxes	(32920)	(17517)	(34227)	(20856)
Less: Finance Cost (Interest)	18041	44154	18042	44167
<b>Profit/Loss before Depreciation, Exceptional Items and Taxes</b>	<b>(50961)</b>	<b>(61671)</b>	<b>(52269)</b>	<b>(65023)</b>
Less: Depreciation	7605	9549	7644	9651
Profit/Loss before Exceptional Items and Taxes	(58566)	(71220)	(59913)	(74674)
Less: Exceptional Items	93129	65010	91229	58510
<b>Profit/Loss before Taxes</b>	<b>(151695)</b>	<b>(136230)</b>	<b>(151142)</b>	<b>(133185)</b>
Less: Provision for Taxes	-	-	-	-
(a) Income Tax	-	-	-	-
(b) Tax for earlier year's	(685)	184	(685)	184
(c) MAT Credit Reversal	-	-	-	-
(d) Deferred Tax Adjustment	29	788	29	1213
Profit/(Loss) after Taxes	(151039)	(137203)	(150486)	(134581)
Add: Balance brought forward from the previous year	(117068)	13619	(117068)	10781
Balance available for appropriation which the directors have appropriated as under to :	(268127)	(117068)	(267463)	(117668)
(i) Proposed Dividend	-	-	-	-
(ii) Tax on Dividend	-	-	-	-
(iii) Provision for interest on dividend	14	40	14	40
(iv) Provision for interest on dividend distribution Tax	7	22	7	22
(v) General Reserve	-	-	-	-
<b>Total</b>	<b>21</b>	<b>62</b>	<b>21</b>	<b>62</b>
<b>Deficit carried forward to the Balance Sheet</b>	<b>(268127)</b>	<b>(117068)</b>	<b>(267463)</b>	<b>(117068)</b>

### Change in Financial Year

The financial year of the Company was extended by 3 month i.e. from 31/12/2013 to 31/03/2014 with the approval of the Registrar of Companies. Hence the financial year of the Company under review cover a period of 15 months and is not comparable with the results of the previous financial year 2011-2012 which was extended for 18 months.

During the year under review, your Company's total sales (Standalone) were Rs 99,982 Lacs (15 Months) as against Rs. 381,510 Lacs for the previous year (18 Months). The loss before finance cost, depreciation, exceptional items and taxes (Standalone) was Rs. 32,920 Lacs (15 Months) as against to the Loss of Rs. 17,517 lacs for the Previous year (18 Months). The finance cost (Standalone) was Rs. 18,041 Lacs (15 Months) as against to Rs. 44,154 Lacs for the previous year (18 Months). The company recorded of EPS (Earning per Share) of Rs. (32.98) for the period ended March 31, 2014.

### Division wise operational performance for the period ended March 31, 2014 was as under:

#### A. Oil Division

1. **Mustard Oil:** During the period under review the Company's mustard oil plant was utilized up to 1.85 % of its installed/available capacity; it processed 30,469 MT (Include 22,705 MT Processed under Job work arrangement) of mustard seeds. Mustard Oil production stood at 9,951 MT (Includes 7,676 MT produced under Job work arrangement) against that of 157,861 MT in the previous year, recording a significant decrease of 93.70% as compared to previous year.

2. **Refined Oils:** The Company's refined oil plants utilized 3.98 % of its available capacity and processed 28,665 MT (Include 5,909 MT Processed under Job work arrangement) of crude oil. Refined oil production stood at 26,705 MT (Includes 5,575 MT produced under Job work arrangement) against that of 94,484 MT in the

previous year, recording a significant decrease of 71.73% over the previous year.

- 3. De Oiled Cake (DOC):** Solvent extraction plant utilized 9.37 % of its available capacity during the year under review and processed 147,518 MT (Include 28,463 MT Processed under Job work arrangement) of oil cake/seeds. During the year, DOC production was at 132,882 MT (Includes 25,890 MT produced under Job work arrangement) as against 314,073 MT during the previous year, thus recording a decrease of 57.69% over the previous year.

#### B. Vanaspati Division

Production of Vanaspati was at 426 MT against that of 3,271 MT in the previous year, decreasing 86.97 % as compared to previous year.

#### C. Power Division

During the year power generated through wind mills was 124,521,579 units as against 200,910,809 units in the last year, thus recording a decrease of 38.02% over the previous year. Out of these units, the Company has utilized 7,118,398 units for in house consumption and sold 13,240,050 units and generated Rs. 3,864 Lacs as additional revenue.

#### Dividend

In view of the losses incurred during the year, your Directors are unable to recommend dividend on equity Shares and Preference Shares for the year ended March 31, 2014.

#### Current business outlook and plans

Demand for Edible oil during the year continues to be stagnant on account of a recessionary trend in the economy as well as new products in the Edible oil industry like Olive Oil capturing market share however, it is hoped that conditions may start improving in the rest of the year so that with adequate working capital sourcing, your Company is able to operate its plants at higher capacities and with higher margins. Until maximum utilization of Company's plants is reached, there are no plans for capacity expansion in the coming year.

#### Consolidated Accounts

As per the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements have been annexed with the Financial Results of the Company.

#### Subsidiary Company

The Statement required under Section 212 of the Companies Act, 1956 in respect of the Subsidiary Company is also appended to the Annual Report.

#### Manpower Development Process

The Company's HR Division has finalized an Organization Structure that supports the vision and strategy of the Company. The organization structure is divided into five bands: Strategic, Operational, Manager, Executive and Support, which have been further divided into several levels. All K S employees are assigned a level under a particular band depending upon their role, impact and criticality of job and the contribution to the Company's strategy.

#### Corporate Social Responsibility (CSR)

Your Company is committed to support CSR initiative and to contribute towards the welfare and social upliftment of the Community.

#### Employees Stock Option Scheme (ESOP)

As the employees of the Company did not exercise the option under ESOP scheme, the company cancelled/ withdrew the ESOPs granted under the Employee Stock Option Scheme.

#### Employees' Particulars

The Company did not have any employee of the category mentioned in Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

#### Renewable Energy Initiatives:

All the 92 WTG's of 78 MW in Madhya Pradesh, Rajasthan, Gujrat & Tamilnadu are running successfully & generating revenue for the company through the sale of power to SEB's. Besides, the company is utilising the energy generated by Rathedi (Madhya Pradesh) 30 WTGs equivalent to 24.9 MW for captive consumption. Under the scheme, power generated from these WTGs is sold to MPTRANSCO (Madhya Pradesh Power Transmission Company Ltd) and the company shall get credit against the purchase of units at its Guna, Ratlam and Morena Plant, thereby, reducing Power cost of the three plants considerably.

#### Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in **Annexure 'A'** to the Directors' Report.

#### Auditors

M/s Harbhakti & Co., Chartered Accountants have resigned due to internal reasons on dated February 13, 2015. Afterward the Board of Directors in their board meeting held on February 14, 2015 had appointed M/s Ladha G.D. & Co., Chartered Accountant as the statutory auditors of the Company and the same has been approved by the Members of the Company in Extra-Ordinary General Meeting held on March 18, 2015.

Further, M/s Ladha G.D. & Co., Chartered Accountants, auditors of the Company, shall retire at the end of ensuing AGM, being eligible to offer themselves for re-appointment.

#### Deposits

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

#### Corporate Governance

To comply with the conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Management Discussion and Analysis and Corporate Governance together with a certificate from a Practicing Company Secretary confirming compliance is included in the Annual Report.

#### Group for Inter-Se Transfer of Shares

The following is the list of entities constituting "Group" (within the meaning as defined in Monopolies and Restrictive Trade Practice Act, 1969) for the purpose of disclosure as provided in clause 3 (1) (e) of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997:

#### Sr. No. Name of Entity

1. Mr. Ramesh Chand Garg
2. Ramesh Chand Garg HUF
3. Smt. Sheela Devi Garg
4. Mr. Sourabh Garg
5. Sourabh Garg HUF
6. Smt. Meeta Garg
7. Garg Family Trust

#### Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and observations obtained by them, your directors make the following statement in term of Section 217(2AA) of the Companies Act, 1956 -

1. that the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the directors had selected such Accounting Policies and

applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2013-14 and of the profit or loss of the company for that period;

3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. that the Directors had prepared the Annual Accounts on a going concern basis

#### Acknowledgements

Your Directors place on record their appreciation of the support

#### Annexure "A" to Directors' Report

extended by customers, investors, bankers, business associates, vendors and various government agencies. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

For and on behalf of the board of Directors

	Sd/-	Sd/-
	Ramesh Chand Garg	Davesh Agarwal
	Managing Director	CFO and
Place: New Delhi		Executive Director
Date: 01/08/2015		

#### Form A

#### Form for Disclosure of Particulars with respect to Conservation of Energy.

(Rs. in Lakh)

A) Power and fuel consumption	2013-14 (01/01/2013- 31/03/2014) (15 Months)	2011-12 (01/07/2011- 31/12/2012) (18 Months)
1. Electricity		
(a) Purchase		
Unit	81,40,128	1,57,26,028
Total amount (Rs.)	9,55,07,381	14,77,61,195
Rate/unit (Rs.)	11.73	9.40
(b) Own generation		
Through diesel generator		
Unit	4,00,485	15,02,574
Unit per ltr. of diesel oil (Rs.)	3.56	3.57
Cost/unit (Rs.)	14.95	11.61
(i) Through WTG's		
Unit	71,18,398	1,32,40,050
Total Amount (Rs.)	3,35,67,370	6,17,45,572
Rate/Unit (Rs.)	4.72	4.66
* units generated through wind turbine has been credited against purchase of Units		
2. Coal		
Quantity (M.T.)	17,581	55,218
Total Cost (Rs.)	8,93,85,665	27,51,45,090
Average Rate (Rs.)	5,084.18	4,982.87
3. Furnace Oil		
4. Others		
<b>B) Consumption per Unit of Production:</b>		
<b>Product (with details) unit:</b> Oil and Vanaspati Division (Current year: 130802 MT, Previous Year: 569689 MT)		
Electricity	92.14	53.48
Furnace Oil	-	-
Coal	0.10	0.10
Others	-	-

#### FORM B

#### Form for Disclosures of particulars with respect to absorption.

#### TECHNOLOGY ABSORPTION

#### Research and development (R&D):

The Company is carrying out research work on mustard oil so that

more value added products could be introduced. The Company is also developing derivatives and additives of mustard oil.

#### 1) Specific area in which R&D carried out by the company:

During the year under review, efforts were made in the following areas with the objective of optimizing process systems and adopting parameters that ensure product improvement and cost reduction:

- Till date, the Company is in continuation of development of new cost effective process to produce pungent Mustard oil from expeller, instead of producing the same from traditional Kollhu method. The Company is getting the expected results as well from the process and the Company has decided to stabilize the process in future as well.
- Upgradation of solvent plant to improve the quality of recovered oil.
- Development of company's brands "Double Sher" and "Kalash" in order to expand market and increase consumption and promote them as "Heart Friendly Cooking Mediums".
- Reducing cost of materials, effecting import substitution, simplifying processes and achieving time savings.
- Quality improvements and up gradation of raw material suppliers.
- Quality Control.
- Reduction of emission of pollutants from chimney by installing pollution control equipments.

- Automation of packaging system.

## 2) Benefits derived as a result of the above R&D.

- High quality, value added and cost effective consumer preferred edible oils were developed.
- Reduction in cost of raw materials and packaging materials and reduction in product process time.
- Significant reduction in the emission of pollutants into environment.
- Improved quality of products and thereby strong market position.

## 3) Future plan of action

The Company will continue to pursue its R&D work on developing high quality products to meet the ever changing consumer needs and on adding value to our existing products.

## 4) Expenditure on R&D:

Charged to the respective heads of accounts and not allocated separately.

## A. Foreign Exchange Earning and Outgo of the Company:

(Rs. in Lakh)

A) Power and fuel consumption	2013-14 (01/01/2013- 31/03/2014) (15 Months)	2011-12 (01/07/2011- 31/12/2012) (18 Months)
a) Foreign exchange earning of the company:		
Earning on FOB basis	-	91
Interest on deposits with banks	-	-
Interest on loan to subsidiaries	187	354
b) Foreign Exchange Outgo:		
i. CIF value of imports		
a) Raw Material	-	-
b) Finished Goods	-	-
c) Capital Goods	-	-
ii. Expenditure in foreign currency		
a) Interest on borrowing	143	165
b) Professional Fees	15	4
c) Others	-	7
iii. Investment in Foreign Subsidiaries		
a) As subscription amount for Shares therein	-	686
b) Loan to Subsidiaries	-	-

For and on behalf of the board of Directors

Sd/-  
Ramesh Chand Garg  
Managing Director

Sd/-  
Davesh Agarwal  
Chief Financial Officer and  
Executive Director

Place: New Delhi  
Date: 01/08/2015

## Management Discussion and Analysis

### Overview

K S Oils Limited and its wholly owned and controlled subsidiary (KSNR), is a structured Edible Oil global Company. The K S Oils Group is a manufacturer of Edible Oils and Oil Cakes and Meals.

These financials are prepared in accordance with Indian "Generally Accepted Accounting Principle" (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. GAAP comprises mandatory accounting standards as prescribed by Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and Guidelines issued by Securities Exchange Board of India (SEBI). The management accepts the responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flow for the year.

### Industry Structure and Developments

Changing economic and business conditions, evolving customer preference, rapid technological innovations and adoption and globalization, are creating an increasingly competitive market environment that is driving Corporates to transform the manner in which they operate. Companies in this environment are now focusing even more on their core business objective.

During 2013-14, global economic uncertainty coupled with subsequent slow down, though of a passing nature, continued to cast shadows on the trade growth of emerging and developing economies including India. Indian economy faced challenging times culminating in lower growth in GDP than expected. Slow down in industrial growth due to deceleration in mining and disappointing performance in manufacturing sector. The service sector also recorded slow growth due to dismal performance of trade, transport and storage. On demand side overall consumption declined by 0.2% in 2013-14. Investment rate declined steeply in 2013-14 mainly due to high interest rate and tight liquidity. The cost of borrowing in domestic market suffered a sudden increase and investment activities faced difficulties due to global economic crisis.

High volatility in commodity and currency prices world over and some regional tensions in Middle East coupled with sharp volatility and depreciation in the value of the Indian Rupee had impacted cost structure and margins across the industries. One of the worst affected one was commodity related business like ours. The sudden hike in custom duty by the Government on crude and refined vegetable oils during December 2014 impacted higher landed prices of the imported oils and slow off take of the manufactured products ultimately led to lesser capacity utilization, operations and performance of non-port based edible oil refinery units in India during the second half of the year.

The government's endeavor to balance the overall vegetable oils trade from manufacturers', traders' consumers' and farmers, points of view will result in greater opportunities in future to the edible oil manufacturers and refiners.

### Indian Markets

India is one of the biggest emerging markets with a population of over 1.27 billion people and 250 million strong middle-class. The edible oil consumption in India is likely to grow @ 6-7 % per annum and the per capita consumption of approx. 15 kg (2013-14) still remains far below the world average of 24 kg approx. As per "seaofindia", Indian production of vegetable oils presently stands at 7.60 Mn tons and demand at 17.50 Mn tons, resulting in deficit and import requirement at 10.40 Mn tons. In view of the demand supply gap 60 % of domestic

edible oil consumption is met through imports. Palm Oil segment contributes 70% of total imported edible oils and Soybean Oil and other oils constituting balance 30% of imports.

Import dependence was about 3 per cent during 1992-93. The production of indigenous oilseeds, though has increased in recent years (from 184.40 lakh tons in 2000-01 to current 300 lakh tons approx.) has not kept pace with the rising demand for edible oils increased per capita consumption in India. Economic boom witnessed during recent years consequent upon liberalization of Trade Policy including edible oils, increased per capita consumption from 5.8 kg in 1992-03 to 15kg approx. in 2013-14. This is substantially lower than the world average per capita consumption level of 24 kg and compared to that in neighboring countries like Pakistan (20 kg) and China (22 kg). The developed western world has a per capita consumption of 40-50 kg/ head/ year. India's rising oil dependency is keeping the infrastructural activities buzzing.

### Modern trends- demand for purity, quality and health

The Indian house-hold, both in the urban and rural sector is becoming increasingly health conscious, thus demanding branded edible oil products, resulting in a shift from loose (and often adulterated edible oils) to branded offerings. Our promise of purity, quality and health in our consumer packs under the brands "Kalash", "Double Sher" and "Kalash Soya Active" keep winning the consumer's hearts.

### Production and R&D

Our five state-of-the-art manufacturing plants are some of the best in technology, design and efficiency parameters conforming to stringent quality and hygiene standards as per international manufacturing standards. The mechanized plants need least human intervention and are run on computer controlled panels requiring minimal man power. This not only saves employee cost by 60% but also ensures minimum human intervention for optimum quality standards. Efficient use of machinery and layout make sure that each plant consumes minimum energy, reduces waste and recycles inputs like water and other wastes. The plants are environment friendly and assure sustainable and green production methods.

The new plants are built on technology permit product flexibility at any given time; production can be switched between any three edible oilseeds – mustard, soybean and sunflower. This will give real time and dynamic planning capability to the production team based on market demand. Such Just-in-time (JIT) manufacturing is a first in the Indian edible oil industry, saving on over capacity and higher costs for maintaining inventory.

### Opportunities and Threats (SWOT Analysis)

The biggest threat company is facing for smooth running of its plants is due to liquidity crisis. The company was admitted to Corporate Debt Restructuring (CDR) process on September 19, 2011 on account of liquidity crises. The reasons for liquidity problems were large scale expansion /modernization without availing matching term loans, overseas investment with zero debt and untied Fund Based WC limit which was assessed by consortium lenders in the year 2010-11. The final restructuring package was approved by CDR-EG on December 20, 2011 and implemented by majority of lenders in the month of March 2012. Unfortunately, the company could not fulfil CDR conditions hence the same was called off by the Lenders during July 2013. Thereafter, the accounts of the Company became NPA and the lenders issued SARFAESI Notices during the financial year.

The biggest strength of K S Oils today is its integrated business model, which is scalable to global size. A conscious focus on backward and forward integration so as to address the complete value chain is ensuring K S Oils ability to de-risk external factors like raw material supply & prices and conduct sales with high per unit profit realization. The branding led FMCG focus of the company is helping it consolidate as a leader within the minds of the consumers.

Our business sector is vulnerable to external factors viz nature related and driven by international developments. Thus, we are dependent on vagaries of weather which determines size indigenous of oil seed crops, and international edible oil prices. Freight and transportation cost is another challenge.

The biggest opportunity is the consolidation that is taking place in the edible oil industry. The retail led demand and higher consumer spending and buying power is a trend that will help branded players like us in getting premium price for our products by delivering superior quality. The trend of palm oil consumption increasing in India is a head start for our backward integration in sign palm production. Favorable government policies will ensure that the organized edible oil industry grows significantly.

We face threats from competition from other players raising capacity and MNCs entering this sector. A macro threat is that of vegetable oils being diverted for non-food production like bio-fuel and other alternate energy. Rising crude oil prices and volatility in international prices are the other sources of concern.

#### Segment-wise Performance

The various segments and products are identified by the company are as follows:

Solvent – Seed / Solvent extraction, crude Mustard Oil, Refined oils and Deoiled cake

Vanaspati – Vanaspati Ghee

Power – Power Generation (wind mills)

The detailed performance segment wise is given in Consolidated Balance Sheet Note No. 43 to the audited accounts of the company provided in the Annual Report.

#### Outlook for K S Oils

K S Oils is focused towards building brands in the edible oil sector which are India- centric and deliver quality, purity and convenience along with the trust of Kalash brand name. Going ahead, the company will be working towards a clear-cut three-pronged program:

- Increased market share and building brand premium across product categories
- Continuous focus to create cost leadership at procurement and manufacturing levels
- Profitable and Inclusive Growth

Management has committed to sale/divestment of non-core business and promoters have brought in their contribution. The Company

believes that once the liquidity crisis will be over company will be able to regain its past glory.

#### Discussion on Financial Performance

The financial year of the Company was extended by 3 month i.e. from 31/12/2013 to 31/03/2014 with the approval of the Registrar of Companies. Hence the financial year of the Company under review cover a period of 15 months and is not comparable with the results of the previous financial year 2011-2012 which was of 18 months. The company reported a net loss of Rs. 151,039 Lacs as compared to Rs. 137,203 Lacs in the previous year. Company's total sales were Rs. 100,080 Lacs as against Rs. 381746 Lacs in the previous year.

Material Development in Human Resources/ Industrial relations, including Number of People Employed

K S Oils management put utmost efforts to strengthen the existing workforce and retaining them to enhance the Human Resource Capabilities in the Company. As a result of CDR process and slow down in the business some of company's key personals have left. Thus, K S Oils is creating a collaborative and innovation-driven work culture to attract, retain and develop the best talent in the industry.

#### Corporate Social Responsibility

K S Oils believes that Corporate Social Responsibility (CSR) is all about long-term sustainability and is becoming an agent of change through regularly associating with education programs of various institutes to bring about exchange of ideas among students and ensure a better and brighter future for India's children.

#### Cautionary Statement

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations maybe "Forward-looking statements" within the meaning of applicable securities laws and regulations. Actual result could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in the company operates, changes in Government Regulations, tax laws and other statutes and other incidental factors.

For and on behalf of the board of Directors

Place: New Delhi  
Date: 01/08/2015

Sd/-  
Ramesh Chand Garg  
Managing Director

Sd/-  
Davesh Agarwal  
CFO and  
Executive Director



## Corporate Governance Report

### Our Corporate Governance philosophy

Corporate Governance is an important tool for enhancing stakeholder value on a sustainable basis & creating wealth for organization. With the increasing complexity in business of organizations, sound governance practices are indispensable to build and sustain trust in all its stakeholders.

Your company is committed to build and adopt best governance practices and its adherence in the true spirit, at all times. The governance practices followed by your Company have played a vital role in its journey. All the procedures, policies and practices followed by your Company are based on sound governance principles. Comprehensive disclosures, structured accountability in exercise of powers, adhering to international standards and commitment in compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. Our governance philosophy rests on following key principals, viz.:

- Board's accountability to the Company and stakeholders;
- Equitable treatment to all shareholders;
- Strategic guidance and effective monitoring by the Board;
- Protection of minority interests and rights;
- Transparency and timely disclosure;
- Timely disclosure of material facts to all stakeholders; and
- Accuracy & transparency in disclosures.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. In terms of Clause 49 of the Listing Agreement executed with the stock exchanges, the detailed Corporate Governance Report of the Company is as follows:

### Inductions

On 11/02/2013, the Board of Director on the request of the Lead banker State Bank of India have appointed Mr. Balbir Singh Basin as a Nominee Director (SBI).

### Re-Appointments

The Board re-designated Mr. Ramesh Chand Garg as Managing Director, while Mr. Davesh Agarwal continued as the Chief Financial Officer of the Company with effect from September 03, 2014. As per provisions of the Companies Act, 2013, Mr. Ramesh Chand Garg and Mr. Davesh Agarwal retired in the ensuing AGM and being eligible, seek re-appointment and pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Arvind Pandalai & Mr. Boda Venkat Ram being eligible, seek re-appointment as the independent Directors of the Company for the term given in the notice of 28th AGM. We thank the shareholders for their support in confirming the appointments at the AGM on September 30, 2014.

### Board of Directors

#### (A) Size and Composition of the Board

The Board of Directors of the Company consists of an optimum combination of Executive, Non-Executive and Independent Directors, to ensure the independent functioning of the Board. As on March 31, 2014 the Board consists of 10 (Ten) Directors, out of whom 2 (Two) are Executive Directors, 2 (Two) are Nominee Directors and 6 (Six) are Independent and Non Executive Directors.

None of the Directors of the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 (IV) (B)) across all the Companies in which they are Directors. All the Directors have made the requisite disclosures regarding Committee positions held by them in other Companies.

### The Composition of the Board of Directors as on March 31, 2014 is as under:

Name of Director	Category of Directorship	Designation	Directorship in other Companies
<b>Executive Directors</b>			
Ramesh Chand Garg	Promoter	Chairman & Managing Director	1. KS Oils Sdn. Bhd., Malaysia; 2. KS Natural Resources Pte. Ltd., Singapore; 3. KS Agri Resource Pte. Ltd.; 4. P T Buana Mega Sentosa Plantation, Indonesia; 5. P T Bio Diesel Jambi, Indonesia; and 6. P T Tunas Bersusan Abadi, Indonesia.
Davesh Agarwal	Executive Director	CFO & Director	1. PT Biodiesel Jambi 2. PT Mega Artha Persada 3. PT Tunas Bersusan Abadi 4. PT Buana Mega Sentosa 5. K S Metcast Pvt. Ltd. 6. Arth Real Developers (M.P) Private Limited
<b>Non Executive Directors</b>			
Sourabh Garg*	Promoter	Non- Executive Director	None
Pramod Kumar Mandloi*	Non-Promoter	Independent Director	None
B. M. N. Singh*	Non-Promoter	Independent Director	None
R. S. Sisodia*	Non-Promoter	Independent Director	None
Arvind Pandalai	Non-Promoter	Independent Director	1. Keventer Agro Ltd 2. Indo Rama Synthetics (India) Limited 3. Indo Rama Renewables Limited 4. Indo Rama Renewables Jath Limited 5. Indo Rama Renewables Porbandar Limited 6. Indo Rama Renewables Ramgarh Limited 7. Chetanya Horticultures Private Limited
Boda Venkat Ram	Non-Promoter	Independent Director	Maven Industries Limited
<b>Nominee Director</b>			
M.B. Kaul®	Non-Promoter	Nominee Director	Juniper Hotels Pvt. Ltd
B. S. Bhasin@@	Non-Promoter	Nominee Director	Parabolic Drugs Limited

Notes: \*removed from the Board of Directors on September 03, 2014 due to disqualification as per section 164 (2) (b) of the Companies Act, 2013.

@ Nomination withdrawn with effect from July 02, 2014

@@ Nomination withdrawn with effect from November 11, 2014

**Board Procedure**

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The information as required as per Corporate Governance norms of the Listing Agreement is made available to the Board. The Agenda and Board notes for consideration of the Board are circulated well in advance with the notice of meeting so that all the Directors can actively participate in the extensive and fruitful deliberations on various agenda items put before the Board for discussion. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. The Board is kept apprised of the overall performance of the Company by the Managing Director at the Board Meetings.

**Attendance of each Director at the Board Meetings and last Annual General Meeting**

During the financial period January 01, 2013 to March 31, 2014 Eight (8) Board Meetings were held on following dates, and the maximum time gap between two meetings did not exceed four months:

February 11, 2013	March 05, 2013(Adj)*
March 06, 2013	July 05, 2013
July 26, 2013	September 21, 2013
November 8, 2013	December 04, 2013
February 12, 2014	

Name of the Director	Meetings held during the tenure of Directors	No of Board Meetings attended	Attendance at the last AGM held on 30/03/2013 & 07/09/2013
Ramesh Chand Garg	08	08	Present
Sourabh Garg	08	00	-
Davesh Agarwal	08	08	Present
Pramod Kumar Mandloi	08	08	Present
Brij Mahendra Nandan Singh	08	07	-
R. S. Sisodia	08	08	Present
Arvind Pandalai	08	08	-
Boda Venket Ram	08	07	-
M.B. Kaul	08	02	-
B. S. Bhasin	08	01	

\*the Meeting held on 05/03/2013 was adjourned and concluded on 06/03/2013, hence counted as one meeting

Annual General Meeting of the company was held on 30/03/2013 at A.B. Road, Morena (M.P.) – 476 001, The meeting was adjourned due to non-finalization of the accounts, Further, the Adjourned Annual General meeting was concluded on 07/09/2013, the fresh notice along with Annual Report was sent to the members for the Adjourned Annual General Meeting.

**The following Directors were presents during the Annual General Meeting:**

1. Mr. Ramesh Chand Garg
2. Mr. Davesh Agarwal
3. Mr. Pramod Kumar Mandloi
4. Mr. R. S. Sisodia

**(B) Non Executive Directors Compensation and Disclosures**

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board & various committee meetings.

Details of Shareholding of Non-Executive Directors as on March 31, 2014 and the Sitting fees paid to them during the period from January 01, 2013 to March 31, 2014 are as follows:

Name of Non-Executive Directors	Sitting Fee (In Rs.)	No. of Shares Held
Mr. Sourabh Garg	Nil	
Mr. Pramod Kumar Mandloi	1,65,000.00	Nil
Mr. Brij Mahendra Nandan Singh	1,05,000.00	Nil
Dr. R. S. Sisodia	1,55,000.00	Nil
Mr. Arvind Pandlai	1,20,000.00	Nil
Mr. Boda Venkatram	1,25,000.00	Nil
Mr. M. B. Kaul	30,000.00	Nil
Mr. B. S. Bhasin	15,000.00	Nil

The company has not entered in to any pecuniary relationship or transaction with the non-executive directors.

The company does not pay any performance linked incentives to the directors.

The sitting fees paid to Non-Executive Directors including Independent Directors are within the limits prescribed under the Companies Act, 1956, and therefore, do not require the prior approval of shareholders.

**(C) Code of Conduct**

K S Oils Code of Conduct as adopted by the Board of Directors is applicable to the Directors, senior management and employees of the Company. The code is based on the principals of good corporate governance and good corporate citizenship. The code covers the Company's commitment to healthy development, environmental safety, productive and healthy workplace for employees, legal compliance and leading by setting personal examples.

**Code of Conduct for Prevention of Insider Trading**

K S Oils has a code of conduct for prevention of Insider Trading in the share and securities of the company. The company code of conduct prohibits purchase/ sale of shares of the company by the employees who are in possession of unpublished price sensitive information in relation to the company.

**Declaration by Managing Director**

I, Ramesh Chand Garg, Managing Director of K. S. Oils Limited, hereby confirms that all the Board members and Senior Management personnel have affirmed compliance with the code of conduct for the period from January 01, 2013 to March 31, 2014.

Sd/-  
Ramesh Chand Garg  
Managing Director

Place: New Delhi  
Date: 01/08/2015

**(D) Committees of the Board**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of all the meetings are placed before the Board for review.

The Board has currently established the following Four (4) statutory and non-statutory Committees:

- Audit Committee
- Management and Finance Committee
- Shareholder's /Investors Grievances committee
- Remuneration Committee

**I. Audit Committee****Composition and attendance**

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the Companies Act, 1956. All the Members of Audit Committee possess knowledge of corporate finance, accounts and company law.

During the period from January 01, 2013 to March 31, 2014, Seven (7) Audit Committee Meetings were held as under:

March 05, 2013(Adj)*	March 06, 2013
July 05, 2013	July 26, 2013
September 21, 2013	November 08, 2013
December 04, 2013	February 12, 2014

The composition of the Audit Committee and attendance of members at the meetings of the Audit Committee held during the period from January 01, 2013 to March 31, 2014 are as follows:-

Members	Chariman/ Member	Total No. of Meetings	Number of meetings attended
Mr. P. K. Mandloi	Chairman	07	07
Mr. R. S. Sisodia	Member	07	07
Mr. R. C. Garg**	Member	07	02
Mr. Boda Venkat Ram***	Member	07	04

\*the Meeting held on 05/03/2013 was adjourned and concluded on 06/03/2013, hence counted as one meeting

\*\*Mr. R. C. Garg has resigned from the audit committee as on 05/07/2013

\*\*\*Mr. Boda Venkat Ram has been appointed as a member of Audit Committee as on 05/07/2013

**Company Secretary of the Company acts as the Secretary to the Committee****Terms of Reference**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee are broadly as under:

- Overseeing the Company's financial reporting process and
- Disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services;
- Reviewing with management the quarterly financial results before submission to the Board;

- Reviewing with management the annual financial statements before submission to the Board;
- Reviewing with management the annual financial statements of the subsidiary companies;
- Reviewing with management, external auditors and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function;
- Discussing with internal auditors any significant finding and
- Reviewing the progress of corrective actions on such issues;
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and then reporting such matters to the Board;
- Discussing with external auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- Reviewing the Company's financial and risk management policies; and
- Examining reasons for substantial default in the payment to shareholders (in case of non-payment of declared dividends) and creditors, if any.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India during the year. Compliance of the Accounting Standard as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2014.

**II. Management and Finance Committee**

Management and finance committee has been constituted to deal with the banks for finance facilities, works related to government agencies, licensing authorities and other day to day matters of the company which will look after these matters at short interval for smooth operations of the Company.

**Terms of Reference**

- To look into the matters pertaining to finance and banking and approves the availing of fund raising and finance facilities from banks and financial institutions
- To deal with the Government authorities, Semi Government authorities and other organizations with reference to the day to day operations of the company such as obtaining approvals, sanctions, licence etc.
- To review the long term business plans, capital expenditure, business strategies and organizational structure of the company.
- To look into the other day to day operations of the company.
- The acts, things, matters performed by the committee and proceedings of the committee's meeting would be reviewed by the Board of Directors at its meeting.

**Composition and Attendance**

During the period from January 01, 2013 to March 31, 2014, Fifteen (15) Meetings of the Management and finance Committee Meetings were held as under:

January 08, 2013	January 22, 2013	January 23, 2013
March 05, 2013	April 29, 2013	May 28, 2013
June 15, 2013	August 12, 2013	August 26, 2013

August 27, 2013      September 24, 2013      October 15, 2013  
November 23, 2013      December 04, 2013      January 18, 2014

Composition of the Management and Finance Committee as on March 31, 2014 and attendance of Members at the meetings of the Management and Finance Committee held during the year i.e. from January 01, 2013 to March 31, 2014 was as follows :-

Members	Designation	Total No. of Meetings	Number of Meetings attended
Mr. Ramesh Chand Garg	Chairman	15	15
Mr. Davesh Agarwal	Member	15	15
Mr. P. K. Mandloi	Member	15	15
Mr. R. S. Sisodia	Member	15	00

### III. Shareholders'/ Investors' Grievances Committee

The Company has a Shareholders'/Investors' Grievance Committee, to look into redressal of Investors' Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend Warrants etc.

#### Terms of Reference

The Committee meets at least once in a fortnight and deals with various matters relating to:

- Transfer/transmission/transposition of shares;
- Issue of share certificates for lost, sub divided, consolidated, rematerialized, defaced, etc;
- Consolidation/ Splitting of folios;
- Review of shares dematerialized and all other related matters;
- Investors' Grievances and redressal mechanism and recommend measures to improve the level of Investor services.

The Share Department of the Company and the Registrar and Share Transfer Agent's Ankit Consultancy (P) Ltd., Indore, attend all grievances/ correspondences expeditiously of the shareholders and investors received directly or through SEBI, Stock Exchanges, Department of Company Affairs, Registrar of Companies, etc., usually a reply is sent within 15 days of receipt of letter, except in the cases that are constrained by dispute or legal impediment.

#### Composition and attendance

During the period from January 01, 2013 to March 31, 2014, 4 (Four) Shareholders'/Investors' Grievance Meetings were held as under:

April 13, 2013      July 26, 2013  
November 08, 2013      December 12, 2013

The minutes of the Shareholders'/Investors' Grievances Committee are noted by the Board of Directors at the Board Meetings.

Members	Designation	Meetings held during the tenure of Directors	Number of Meetings attended
Mr. P. K. Mandloi	Chairman	4	4
Mr. Ramesh Chand Garg	Member	4	4
Mr. Davesh Agarwal	Member	4	4

Company Secretary of the Company acts as secretary to the committee.

There were no complaints pending as on March 31, 2014.

### IV. Remuneration Committee

#### Terms of Reference:

The broad terms of reference of the Committee are to appraise the performance of Managing/ Executive Directors, determine and recommend to the Board, Compensation payable to Managing/ Executive Directors.

#### During the Financial Period No meeting of Remuneration Committee was held

The Remuneration Committee of the Company comprises of the following three Directors of the Company:

Members	Designation	Meetings held during the tenure of Directors	Number of Meetings attended
Mr. P. K. Mandloi	Chairman	0	0
Mr. R. S. Sisodia	Member	0	0
Mr. B. N. Singh	Member	0	0

#### Remuneration Policy

Subject to the approval of the Board of Directors and the subsequent approval by the shareholders at the General Body Meeting and such authorities as the case may be, remuneration of the Managing / Whole-time Directors is fixed by the Remuneration Committee. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises basic salary and other components in accordance with various related provisions of the Companies Act, 1956. The remuneration policy for Whole-time Director is directed towards rewarding performance, based on review of achievements.

The non executive Directors have not drawn any remuneration from the Company except sitting fees for meetings of the Board. The Board, on the recommendations of the Remuneration Committee approves the annual increments if any. The Board fixes a ceiling on perquisites and allowances as a percentage of salary, within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee.

**Remuneration paid to the Chairman, Managing Director and Whole-time Directors during the period i.e., from January 31, 2013 to March 31, 2014**

Name of Director	Designation	Salary	Perquisites and Allowances	Commission	Total
Mr. Ramesh Chand Garg	Chairman and Managing Director	2.00 per month	Nil	Nil	24.00
Mr. Davesh Agarwal	Whole-time Director	2.00 per month	Nil	Nil	24.00

**Details of Service Contracts**

Names	Date of last appointment	Current tenure	From	To
Mr. Ramesh Chand Garg	September 26, 2011	3 years	Sept. 26, 2011	Sept. 25, 2014
Mr. Davesh Agarwal	December 30, 2011	3 years	Dec. 30, 2011	Dec. 29, 2014

The tenure of office of the Managing Director and Whole-time Directors is for a period of 3 years from their respective dates of appointments and can be terminated by either party by giving Six months or as the case may be, three months' notice in writing. There is no separate provision for payment of severance fees.

**(E) Subsidiary Companies**

Material non-listed Indian subsidiary companies as defined in clause 49 of the Listing Agreement with Stock Exchanges: **None**

**(F) Disclosures**

**I. Related Party Transactions**

During the year, there were no material significant transactions of the Company with its promoters, the directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

The details of all transactions with related parties are placed before the Audit Committee on quarterly basis, and were in the ordinary course of business and on arm's length basis. The details of related party transactions are included in the Notes to the Audited Accounts.

**II. Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**III. Board Disclosures on Risk Management**

The Company has formulated a Risk Management team, which laid down procedure to inform Board members about the risk assessment and minimization procedure. The team consists of the Managing Director as the Chairperson, and members included senior management persons heading key functions of the company. Risks are reviewed quarterly to ensure that the Executive Management has control of the risks.

**IV. Proceeds from the Preferential Issue of Equity Shares**

The company has allotted 33,767,282 equity shares of Re. 1/- each (excluding premium of Rs. 6.25 for each share ) on April 09, 2012 to various Qualified Institutional Buyers (QIB's) through Qualified Institutional Placement and raised Rs. 2,448.13Lacs.

**Utilization of proceeds received on Preferential Issue of securities**

The company has raised Rs. 2,448.13 Lacs on allotment of shares on preferential basis.

The entire proceeds received towards the issue of shares to various Qualified Institutional Buyers (QIB's) through Qualified Institutional Placement have been utilised for the purpose of working capital requirement.

**V. Remuneration of Directors**

The required information under Sub Clause IV(E) of Clause 49 of the Listing Agreement providing details of the remuneration of Non Executive and Executive directors have been given above in the report.

**VI. Management Discussion and Analysis**

A Management Discussion and Analysis Report given separately, as part of the Directors Report

**VII. Shareholders**

The Company has 1,36,244 (as on March 31, 2014) shareholders. The communication channel to the shareholders of the Company is through the Annual Report, which includes Audited Annual Accounts of the Company along with the Auditors & Directors Report, Corporate Governance and Management Discussion and Analysis, and all relevant information needed by the shareholders.

Apart from annual communication with the shareholders, the Company communicates with its shareholders by providing quarterly unaudited results which are published in news papers, apart from press releases to the Stock Exchanges and on the Company's website, www.ksoils.com.

In terms of clauses of the listing agreements, the Company is filing its Annual Reports, quarterly results, shareholding pattern, and press releases to the Bombay Stock Exchange, the National Stock Exchange and on the Company's website.

At the time of appointment/reappointment, details of Directors like their brief resume, nature of his expertise in functional area, Directorship of other Companies, and relationship to other Directors are provided as a part of the Notice convening the Annual General Meeting given to the shareholders. The Corporate Governance Report, part of Directors Report, also provides information about the last year's meetings held and business conducted thereto. The Report also provides information of share prices for the last year, and details on the listing of shares at various Exchanges.

**VIII. Disqualification Of Directors Under Section 274(1)(g)**

Under Section 274(1)(g) of the Companies Act, 1956 following directors are disqualified due to non payment of dividend with in prescribed period for the financial year 2009-2010.

In this regard the details of the directors are given below:

S.No.	Name of Director	Designation
1	Mr. Ramesh Chand Garg	Chairman & Managing Director
2	Mr. Sourabh Garg	Non-Executive Director
3	Mr. R.S. Sisodia	Independent Director
4	Mr. B.N. Singh	Independent Director
5	Mr. P.K. Mandloi	Independent Director

### General Body Meeting

#### Details of the General Meetings held and special resolution passed in the last three years:

Year	Date	Day	Location of the Meeting	Time	Details of Special Resolution
<b>I Annual General Meeting</b>					
2009-10	September 30, 2010	Thursday	Factory Office, A. B Road, Morena (M.P.) – 476 001	4:00 P.M.	No special resolution was passed.
2010-11	December 30, 2011	Friday	Factory Office, A.B. Road, Morena (M.P.) – 476 001	4:00 P.M.	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Ramesh Chand Garg as Whole time director.</li> <li>2. Appointment of Mr. Ramesh Chand Garg as Chairman &amp; Managing Director.</li> <li>3. Approval for issue of funds through QIPs up to Rs. 250 Cr.</li> </ol>
2011-12	March 30, 2013	Saturday	Factory Office A.B. Road Industrial Area, Morena - 476 001 (M. P.)	4:00 P.M.	No Special Resolution was passed
	Adjourned Meeting Sep 07, 2013	Saturday	Factory Office A.B. Road Industrial Area, Morena - 476 001 (M. P.)	4:00 P.M.	No Special Resolution was passed
<b>II Extra Ordinary General Meeting</b>					
2011-12	September 12, 2011	Monday	Factory Office A.B. Road Industrial Area, Morena - 476 001 (M. P.)	4:00 P.M.	<ol style="list-style-type: none"> <li>1. Approval to issue GDR upto US\$ 150 Million.</li> <li>2. To alter the Memorandum of Association for increasing the Authorised Share Capital.</li> <li>3. To alter the Articles of Association for increasing the Authorised Share Capital.</li> </ol>
2011-12	August 17, 2012	Friday	Jiwaji Ganj, Morena - 476 001 (M. P.)	-	No Special Resolution was passed
2011-12	October 05, 2012	Thursday	Jiwaji Ganj, Morena - 476 001 (M. P.)	3:00 P.M.	<ol style="list-style-type: none"> <li>1. To alter the Articles of Association for increasing the Authorised Share Capital.</li> <li>2. Approval to issue the 1% Cumulative Redeemable Preference Shares to the Banks.</li> </ol>

**III Details of Postal Ballot conducted during the Period:**

The company has conducted the Postal Ballot process once on 07/09/2013, during the financial Period 2013-2014 and the following resolutions were passed.

- Pursuant to section 293(1)(a) and other applicable provisions, if any, of the Act and provisions of any other laws, rules, regulations, guidelines as may be applicable, an Ordinary Resolution was passed for the sale of Wind Energy Assets of the Company.
- Pursuant to section 293(1)(a) and other applicable provisions, if any, of the Act and provisions of any other laws, rules, regulations, guidelines as may be applicable, an Ordinary Resolution was passed for the sale of Edible Oil Assets of the Company.

**Means Of Communication**

Quarterly financial results of the company are announced within the time specified\* as per the Listing Agreement. These results are published in national and local dailies. While the company did not send periodical results/records to every shareholder, these were hosted on the company's website (www.ksoils.com). The company also issued news releases on significant corporate decisions and activities and made these available on its website. The Management Discussion and Analysis Report is part of the Directors' Report.

*\*Company have not announced and submitted the quarterly financial results of the company for the Quarter ended on March 31, 2013, June 30, 2013 & September 30, 2013 within the specified time period. As well as company has not submitted its Audited Annual Accounts with in time specified time period as per the Companies Act, 1956 & listing agreement.*

**General Shareholders Information****Registered Office**

Jiwaji Ganj,  
Morena - 476001, M. P.  
Phone: 07532 - 300000  
Fax : 07532 - 300106  
Email: investors@ksoils.com  
Website: www.ksoils.com

**Annual General Meeting**

Date: March 30, 2013  
Time: 4:00 P.M.  
Venue: K.S. Oils Ltd,  
Factory Office:  
A. B. Road, Morena  
(MP) – 476001

**Financial Calendar (tentative):**

Adoption of Quarterly Results Ended:	In the Month of
September 30, 2014	November, 2013 (1st / 2nd week)
December 31, 2014	February, 2014 (1st/ 2nd week)
March 31, 2015	May, 2014 (1st / 2nd week)

**Dividend:**

The board has not recommended any dividend.

**Information regarding Listed Equity Shares on Stock Exchanges, Payment of Listing Fees and Stock Code etc.:**

Name of Stock Exchange	Code/ Trading Symbol	ISIN
<b>Equity Shares</b>		
Bombay Stock Exchange Limited, (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	526209	INE727D01022
National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400051	KSOILS	INE727D01022

**Payment of Listing Fee:** Annual Listing Fees has been paid by the company to BSE for financial Year 2014-2015. However Annual Listing fees has been not paid to the NSE.

The National Stock Exchange has suspended the trading of the Shares of the Company from dated June 21, 2013 due to non-submission of Quarterly Financial Results in time as per Listing Agreement and trading of the shares are suspended on NSE as on date.

**Registrar and Share Transfer Agent:**

Ankit Consultancy Pvt. Ltd.  
60, Electronic Complex,  
Pardeshipura, Indore (M.P.) - 452 010  
Tel.:0731-3198601-602, 2551745-46  
Fax: 0731-4065798  
Email: ankitind@sancharnet.in  
Time: 10.00 a.m. to 6.00 p.m.

**Share Transfer System:**

Share transfers in physical form are registered by the Registrars and returned to the respective transferee within a period of fifteen days, provided the documents lodged with the Registrars / Company are clear in all respects. In case of shares in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a practicing Company Secretary audits the system of transfer and a Certificate to that effect is issued.

**Market Price Data:**

Monthly Highs and Lows for FY 2013-2014 (14) at BSE &amp; NSE

Month	BSE		Volum (No.)	NSE		Volum (No.)	Total Volume (BSE & NSE)
	(High Rs.)	(Low Rs.)		(High Rs.)	(Low Rs.)		
January	4.49	3.75	78,27,948	4.55	3.75	2,04,70,743	2,82,98,691
February	4.00	3.01	59,54,353	3.90	3.00	1,90,63,863	2,50,18,216
March	3.14	2.13	67,24,627	3.35	2.10	1,62,54,423	2,29,79,050
April	3.69	2.16	80,31,735	3.65	2.15	1,46,99,945	2,27,31,680
May	2.60	1.93	35,36,171	2.55	1.94	60,56,171	95,92,342
June	1.95	1.14	87,16,596	1.65	1.45	9,92,742	97,09,338
July	2.35	1.29	56,79,895	-	-	-	56,79,895
August	1.62	1.26	54,10,935	-	-	-	54,10,935
September	1.58	1.27	49,66,189	-	-	-	49,66,189
October	1.97	1.35	67,80,983	-	-	-	67,80,983
November	1.86	1.48	67,80,983	-	-	-	67,80,983
December	1.84	1.35	67,96,395	-	-	-	67,96,395
<b>2014</b>							
January	2.02	1.46	70,52,688	-	-	-	70,52,688
February	1.62	1.36	35,54,345	-	-	-	35,54,345
March	1.50	1.19	69,39,453	-	-	-	69,39,453

\* Trading suspended on NSE from 21/06/2013.

**Distribution of Shareholding as on March 31, 2014**

No. of Equity Shares		No. of Shareholders	Percentage of Shareholders	No. of Shares Held	Percentage of Shareholding
Upto	1,000	102,272	75.07	3,49,50,615	7.61
1,001	2,000	14,765	10.84	2,42,56,697	5.28
2,001	3,000	5,480	4.02	1,45,03,939	3.16
3,001	4,000	2,844	2.09	1,04,75,167	2.28
4,001	5,000	2,744	2.01	1,31,99,466	2.87
5,001	10,000	4,349	3.19	3,32,76,911	7.25
10,001	20,000	2,028	1.49	2,96,36,502	6.45
20,001	30,000	676	0.50	1,69,84,142	3.70
30,001	40,000	289	0.21	1,02,90,324	2.24
40,001	50,000	225	0.17	1,05,24,741	2.29
50,001	1,00,000	318	0.23	2,35,58,879	5.13
1,00,001	Above	254	0.19	23,75,22,654	51.73
	<b>Total</b>	<b>1,36,244</b>	<b>100.00</b>	<b>45,91,80,037</b>	<b>100.00</b>



## Shareholding Pattern as on March 31, 2014

Category Code	Category of shareholder	Number of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
				As a percentage (A+B)	As a percentage (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	Promoter and Promoter Group						
(1)	Indian						
(a)	Individuals/ Hindu Undivided Family	7	34,602,105	7.54	7.54	34,602,105	100
(b)	Central Government/ State Government(s)						
(c)	Bodies Corporate						
(d)	Financial Institutions/ Banks						
(e)	Any Other (specify)						
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>34,602,105</b>	<b>7.54</b>	<b>7.54</b>	<b>34,602,105</b>	<b>100</b>
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)						
(b)	Bodies Corporate						
(c)	Institutions						
(d)	Qualified Foreign Investor						
(e)	Any Other (specify)						
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>7</b>	<b>34,602,105</b>	<b>7.54</b>	<b>7.54</b>	<b>34,602,105</b>	<b>100</b>
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds/UTI						
(b)	Financial Institutions/ Banks	4	1,046,131	0.23	0.23		
(c)	Central Government/ State Government(s)						
(d)	Venture Capital Funds						
(e)	Insurance Companies						
(f)	Foreign Institutional Investors	5	17,103,798	3.72	3.72		
(g)	Foreign Venture Capital Investors						
(h)	Qualified Foreign Investor						
(h)	Any Other (specify)						
	<b>Sub-Total (B)(1)</b>	<b>9</b>	<b>18,149,929</b>	<b>3.95</b>	<b>3.95</b>		
(2)	Non-institutions						
(a)	Bodies Corporate	1,189	83,779,717	18.25	18.25		

(b)	Individuals -						
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	133,838	204,617,268	44.56	44.56		
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	129	32,503,612	7.08	7.08		
(c)	Any Other (NRI & OCB)	990	85,115,504	18.54	18.54		
(d)	Clearing Member	82	411,902	0.09	0.09		
	<b>Sub-Total (B)(2)</b>	<b>136,228</b>	<b>406,428,003</b>	<b>88.51</b>	<b>88.51</b>	-	-
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>136,237</b>	<b>424,577,932</b>	<b>92.46</b>	<b>92.46</b>	-	-
	<b>TOTAL (A)+(B)</b>	<b>136,244</b>	<b>459,180,037</b>	<b>100.00</b>	<b>100.00</b>	<b>34,602,105</b>	<b>7.54</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued						
(1)	Promoter and Promoter Group						
(2)	Public						
	<b>TOTAL (C)</b>	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>136,244</b>	<b>459,180,037</b>	<b>100.00</b>	<b>100.00</b>	<b>34,602,105</b>	<b>7.54</b>

#### Dematerialization of Shares

The trading in Company's shares is permitted only in dematerialized form. In order to enable the shareholders to hold their shares in Demat form, the Company has enlisted its shares with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### Status of De-materialization as on March 31, 2014

No. of Shares Dematerialized	99.52% of the total share capital
No. of Shareholders in Demat form	1,35,347 of the total no. of shareholders

#### Plant Location of the Company:

The Company has manufacturing facilities at:

- (i) A. B. Road, Industrial Area, Morena – 476 001, Madhya Pradesh
- (ii) Village Khara Kheri, Ratlam -457 001, Madhya Pradesh
- (iii) Village Silawati (Opp. Vandana Hotel) A. B.Road Guna, Distt., Guna-473001 Madhya Pradesh
- (iv) Village Tathode, Tehsil Ladpura Kota, Rajasthan
- (v) J.L.No.-149, Debhog HPL Link Road, Haldia Purba, Medinipur-721657 West Bengal

#### Address for Correspondence:

Shareholders are requested to contact to:

Mr. Sandeep Kumar,  
Company Secretary  
K. S. Oils Ltd.  
Jiwaji Ganj,  
Morena - 476 001,  
Madhya Pradesh.  
Phone: 07532 –300000  
Fax: 07532 - 300106  
Email: investors@ksoils.com  
Website: www.ksoils.com

#### MD/CFO Certification

A Certificate from the Managing Director and Chief Financial Officer on the financial statements of the Company was placed before the Board for the financial year 2013-14 (15 Months) are annexed with this report.

#### Statutory Compliance, Penalties and Strictures

The Company makes default of Clause 41 of the Listing agreement, whereas company has not submitted to the stock exchange, the quarterly results in prescribed time limit for consecutive 3 (Three) Quarters, i.e March 31, 2013, June 30, 2013 and September 30, 2013. The trading of the shares of the company is suspended from National Stock Exchange (NSE), there were no other strictures or penalties imposed by either SEBI or the Stock Exchanges, or any statutory authority for non-compliance on any matter related to the capital markets during the last three years.

#### Report on Corporate Governance

The Company had submitted its quarterly Compliance report to the Stock Exchanges within 15 days from the closure of the quarter, as per the format prescribed in annexure IB of the regulations. The report was signed by the Compliance Officer of the Company.

**COMPLIANCE**

- (i) The Company had obtained a Certificate from the Company Secretary in Practice, regarding compliance of Conditions of Corporate Governance as stipulated & annexed the certificate the Director Report, which is sent annually to all the shareholders of the Company. The same certificate shall also be sent to the Stock Exchanges along with the Annual Report filed by the Company. Except already disclosed elsewhere, the Company had complied with the mandatory requirements as stipulated under clause 49 of the listing agreements.
- (ii) The Company had adopted the non-mandatory requirements as regards to the provisions of setting up of the Remuneration Committee and complying with various requirements stated thereto. The Company is establishing systems to move towards a regime of unqualified financial statements. The unaudited financial results are published and are available on website of the Company. Whenever shareholders ask for a copy of results, the same is furnished to them. As regards other non-mandatory

requirements, the Board has taken cognizance of the same, and may consider adopting the same as and when deemed appropriate.

**Going Concern**

The Directors are satisfied that the Company has resources to continue its business in the foreseeable future, and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

For and on behalf of the board of Directors

Sd/-  
Ramesh Chand Garg  
Managing Director

Sd/-  
Davesh Agarwal  
CFO and  
Executive Director

Place: New Delhi  
Date: 01/08/2015

**MD & CFO CERTIFICATE**

To  
The Board of Directors  
K.S. Oils Limited  
Morena

We, Ramesh Chang Garg, Managing Director and Davesh Agarwal, Executive Director & Chief Financial Officer of K.S. Oils Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the period ended March 31, 2014 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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.
2. There are, to the best of our knowledge and belief, no transactions 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 that we have evaluated the effectiveness of 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 such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For K. S. Oil Limited

New Delhi  
August 01, 2015

Sd/-  
Ramesh Chand Garg  
Managing Director  
DIN : 00027025

Sd/-  
Davesh Agarwal  
CFO & Executive Director  
DIN : 01102237

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,

The Members of  
K.S. Oils Limited

1. We have examined the compliance of conditions of corporate governance by K.S. Oils Limited ("the Company"), for the Year ended on 31.03.2014, as stipulated in clause 49 of the Listing Agreement of the said company with said Stock Exchange(s).
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the listing agreement except the following:
  - (a) Company had not announced and submitted the quarterly financial results of the Company for the quarter ended on March 31, 2013, June 30, 2013 & September 30, 2013 within specified time period. Further, the Company has not submitted its Audited Accounts within the specified time period as per the Companies Act, 1956 & Listing Agreement;
  - (b) Due to non-finalization of Annual Audited Accounts of the Company as stated above, the MD/CFO Certificate from Chairman & Managing director was not placed before the board.
4. We further state that such compliance is neither an assurance as to the further viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.
5. We further states that, there was delay in adopting Unaudited Financial Results for the following quarters:
  - I) Unaudited Financial Results for the quarter ended 31-Mar-2013 adopted in the Board Meeting dated 21-Sep-2013
  - II) Unaudited Financial Results for the quarter ended 30-June-2013 adopted in the Board Meeting dated 8-Nov-2013.
  - III) Unaudited Financial Results for the quarter ended 30-Sep-2013 adopted in the Board Meeting dated 4-Dec-2013.

For M. D. & Associates  
Company Secretaries

Place: New Delhi  
Date: 25.07.2015

Mayank Dubey  
C.P. No. 10819

## Auditor's Report

TO  
THE MEMBERS OF K.S.OILS LIMITED  
JIWAJI GANJ, MORENA (M.P.)

### Report on Financial Statements

We have audited the accompanying financial statement of K.S.OILS LIMITED ('the company') which comprise the balance sheet as at 31st March 2014 and the Statement of Profit & Loss and the cash flow statement for the fifteen month of the period 01 January 2013 to 31 March 2014 and a summary of significant policies and other explanatory information.

### Management's Responsibility for the financial Statements

Management is responsible for the preparation of these financial statements that give true & fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards referred to in subsection (3C) of section 211 of the companies Act 1956(" the act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of 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 conducted our audit in accordance with standards on Auditing issued by the institute of chartered accountants of India **except with regard to the matters discussed below where we have not been able to perform the audit in conformity with the relevant auditing standard on account of unavailability of adequate documents/information.** Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 consider internal control relevant to the company's preparation and presentation of the financial statement that give a true and fair view in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statement.

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

### Basis for qualified opinion

1. As regards trade receivables, inventory, costs, production margin and sales price of goods sold, we state that:
  - a) The company has made provision for bad and doubtful debts for Rs. 87987 Lacs (Previous year 52173) on the basis of the report of the Independent Chartered Accountant appointed by the lead bank dated 28th March, 2014 and management evaluation.  
*In absence of confirmation of balances trade receivable as on 31.03.2014, provision to be made if any for adverse variation in the carrying amount of these balances are not quantified.*
  - b) Position of inventory is as per report of Independent Chartered Accountant appointed by the lead bank /management as more details in note no.36. As explained in the note, we could not observe inventory count as required under SA 501(Revised) 'Audit evidence –Specific Consideration for selected Items'.

- c) Attention is invited to Note 35 on the explanation of the management with regard to abnormal variations/fluctuations in costs, production margin and sales price. We are unable to comment on these, being a technical matter.
2. In the absence of details of testing for impairment of certain assets viz. Production plants which were not operational/fully operational during the period, we are unable to state whether provision, if any, is required to be made in this regard.
3. Out of transactions of purchase and sales (including consignment sales) of goods selected on a sample basis; in some cases, full supporting documents were not been made available for our verification.
4. Loan and Advances include advances aggregating Rs 31422 Lacs given to some of the suppliers which include advances Rs.15745 Lacs outstanding for more than a year. Relevant documents and confirmations of balances are yet to be obtained.
5. The company has given loans of Rs.1407 Lacs to its step-down subsidiary K S OILS SDN BHD. The net worth of the subsidiary is eroded significantly for the accounting period ended March 31, 2014 due to accumulated losses of Rs. 834 Lacs. No provision has been made for any doubtful recovery as it is not ascertainable.
6. Company has taken an average rate (for goods for trading and manufacturing) to determine the value of cost of goods. Consequently, the result of such trading transactions and the closing inventory of such goods have not been disclosed separately. This is also not in conformity with the requirement of Revised Schedule VI.
7. The company had been served demand notice under section U/s 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of security Interest Act, 2002 on dated 26th Dec.2013 for Wind Energy Business and 4th March 2014 for Edible Oil Business for payment of Outstanding principal amount including interest etc. within 60 days from the date of notice.  
*As stated in the Note no.33, pending quantification of interest payable, penalty, other financial charges, the ultimate liability for financial charges and related impact on reported loss is not quantifiable for the period.*
8. The financial statements of company has been prepared on a going concern assumption, though the company has incurred a net loss of Rs. 1,51,039 Lacs during the fifteen months period ended March 31, 2014 and it's net worth has eroded totally, CDR of the company has been called off and it has been served SARFAESI Notices by bankers & financial institutions for payment of loans. This situation indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in normal course of business. The Company's ability to continue as a going concern is dependent upon the factors mentioned in Note 37.
9. Attention is invited to the following Notes forming part of the financial statements:
  - a) Note no. 30 With regard to certain contingent liabilities, whose impact is not ascertainable.
  - b) Note no. 31 with regard order of settlement passed in the favour of company the Appeal of Income Tax department is pending before M.P. High court Gwalior.
  - c) Note 32 (d) With regard to Subsequent events occurring after balance sheet date the company has sold 82 windmills of 67.2 MW for Rs. 176.84 Cr
  - d) Note no. 38 (a) & (b) With regard to manner of utilization of fund raised through preferential allotment of equity shares in previous year.
  - e) Note no. 39 With regard to the declared dividend Balance of

Rs.350 Lacs (including Rs.260 Lacs due to promoters) has not been transferred to separate bank account.

#### 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 1 to 8 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 2014.
- (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 Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. Except as stated in our comments under Basis of Qualified Opinion, 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;
  - b. 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;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; However as explained above, we are unable to comment upon the complete compliance with accounting standard (AS) 1 "Disclosure of Accounting Policies," AS 2 "valuation of Inventory", AS 9 "Revenue Recognition", AS 28 Impairment of Assets" and AS 29 Provision, Contingent Liabilities and Contingent Assets.
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, namely Mr. Pramod Kumar Mandloi, Mr. R.S. Sisodia, Mr. B.N. Singh, Mr. Sourabh Garg and Mr. Ramesh Chand Garg are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. However Mr. Ramesh Chand Garg has been Reappointed as Managing Director after obtaining permission from Registrar of Companies Madhya Pradesh, Gwalior.

**For Ladha G. D. & Co.**

Chartered Accountants

Firm Registration number: 010962C

New Delhi

Dated: 1<sup>st</sup> August, 2015

**Nitin Pahariya**

Partner

Membership number: 409770

## Annexure to auditors; Report

The Annexure referred to in Auditors' report of even date to the members of K. S. OILS Limited on the financial statements for the fifteen months period ended March 31, 2014.

- (i) (a) As informed to us, the Company is in the process of compiling proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the period, fixed assets have been physically verified by the management. Such verification needs to be made at reasonable intervals. We are informed that no material discrepancies were noticed on such observation.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the period.
- (ii) (a) As informed to us, inventory has to be physically verified by the management. Furthermore, as stated in paragraph 1(b) of the Auditors' Report and also as stated in note 36, the same as been verified (excluding stocks with third parties and stock lying at certain locations) by an independent firm of Chartered Accountants appointed by the lead banker and banker. *In our opinion, the frequency of verification needs to be increased in relation to the size of the company and the nature of its business.*
- (b) *As mentioned in paragraph 1(b) of the Auditors' report and as also stated in note 36, we are unable to comment upon reasonableness and adequacy of the procedures of physical verification of inventory followed during such verification.*
- (c) *In our opinion and according to the information and explanation provided to us by the Company and as mentioned in paragraph 1 (b) of the Auditors' Report, the Company is required to Maintain proper records of inventory. In the absence of availability of appropriate information, we are unable to comment upon further adjustments, if any, is required to be made further in such regard.*
- (iii) (a) In one of the earlier years, the Company has granted unsecured loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs. 1,511 Lacs and the year-end balance of loans granted to such party was Rs. 1,407 Lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) The loans granted along with interest thereon are re-payable on demand. As informed, during the period the Company has not demanded repayment of any such loan along with interest thereon, thus there has been no default on the part of, the parties to whom the monies has been lent.
- (d) As the Company has not demanded repayment of any such loan, there is no overdue amount which is of more than rupees one Lacs.
- (e) The Company, had taken unsecured loan from one of the party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs. 4100 Lacs and the year-end balance of loans taken from such party was Nil.
- (f) The loan taken was interest free, and other terms and conditions for such loan are not, prima facie, prejudicial to the interest of the Company.

- (g) There is no repayment schedule attached to the loan, hence we are unable to comment upon timely repayment of the same.
- (iv) *In our opinion and according to the information and explanations given to us, in addition to our comments in paragraph 1(b) & (c), 3 and 6, of the Auditors' Report, the existing internal control procedures are required to be made adequate with the size of the Company and the nature of its business for the purchase, of inventory and fixed assets and for the sale of goods. In our opinion there is a continuing failure to correct major weakness in the internal control system.*
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of the transactions made in pursuance of such contracts or arrangements exceeding value of rupees five Lacs entered into during the financial year, in the absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) *The Company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged and strengthened to be commensurate with the size and nature of its business.*
- (viii) The Central Government has prescribed maintenance of cost records under section 209 (1) (d) of the Act in respect of Company's 'Vanaspati, Refined Vegetable Oils and Power Generation'. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records, and are of the opinion that prima facie, *the prescribed accounts and records have not been made and maintained.*
- (ix) (a) *Undisputed statutory dues including provident fund, investor education and protection fund; employees' state insurance, income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues, if any applicable to it, have not been regularly deposited with appropriate authorities and there have been material delays in numerous number of cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service tax, customs duty, cess and other undisputed statutory were outstanding, at the year end, for a period of more than six months from the date they become payable except as mentioned below:

Name of the statute	Nature of the dues	Amount (Rs. in Lacs)	Period to which the amount relates	Due Date	Date of payment
Income Tax Act	Tax Deducted at Source	249.65	Period 2011-14	Various dates	Rs. 249.65 Lacs Paid on 5/4/2014
Employee State Insurance Act	ESIC	4.92	Period related to 2012-14	Various dates	Rs. 1.29 Lacs paid on various dates
Employees Provident Fund and Miscellaneous Provisions Act	Provident Fund	39.96	Period related to 2012-14	Various dates	Rs. 7.68 Lacs paid on 07/11/14
Central Excise & Custom Act	Excise Duty	5.58	Period related to 2013-14	Various dated	Rs. 5.58 lacs Paid 12/11/2014
Service Tax	Service Tax	16.64	Period related to 2013-14	Various dated	Rs. 7.27 lacs paid on various dates
State Sales Tax	WCT	5.29	Period related to 2013-14	Various dated	Rs. 5.29 lacs paid on various date
State Sales Tax	VAT	886.75	Period related to 2012-14	Various dated	Not yet Paid
Sate Sales Tax	Entry Tax	99.13	Period related to 2012-14	Various dated	Not yet Paid

- (c) According to the records of the Company, the dues outstanding of income-tax, sales tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lacs)	Period to which amount relate	Forum where dispute is pending
Sales Tax Act	Sales Tax / CST	11	1998-99	High Court
Sales Tax Act	Sales Tax / CST	6	2003-04	Revenue Board
Sales Tax Act	Sales Tax / CST	3	2003-04	Revenue Board
Sales Tax Act	Sales Tax / CST	4	2007-08	Deputy Commissioner Appeal, Gwalior
Sales Tax Act	Sales Tax / CST	119	2008-09	Deputy Commissioner Appeal, Gwalior
Sales Tax Act	Sales Tax / CST	52	2010-11	Additional Commissioner, Gwalior
Madhya Pradesh VAT Act	VAT	13	2007-08	Deputy Commissioner Appeal, Gwalior
Madhya Pradesh VAT Act	VAT	19	2008-09	Tax Board Bhopal
Madhya Pradesh VAT Act	VAT	4560	2007-08	Hon'ble Settlement Commission, Bhopal
Madhya Pradesh VAT Act	VAT	10	2009-10	Additional Commissioner, Gwalior
Madhya Pradesh VAT Act	VAT	202	2010-11	Additional Commissioner, Gwalior
Madhya Pradesh VAT Act	VAT	264	2010-11	Additional Commissioner, Gwalior
Entry Tax Act	Entry Tax	41	2006-07	Deputy Commissioner Appeal, Gwalior
Entry Tax Act	Entry Tax	10	2007-08	Deputy Commissioner Appeal, Gwalior
Entry Tax Act Bhopal	Entry Tax	1205	2007-08	Hon'ble Settlement Commission ,
Entry Tax Act	Entry Tax	1	2009-10	Tax Board Bhopal
Entry Tax Act	Entry Tax	3	2009-10	Additional Commissioner, Gwalior
Entry Tax Act	Entry Tax	668	2009-10	Additional Commissioner, Gwalior
Entry Tax Act	Entry Tax	196	2010-11	Additional Commissioner, Gwalior
Central Excise Act	Excise Duty	24	2001-02	High Court
Central Excise Act	Excise Duty	3	2002-03	High Court

- (x) *Even after not considering the qualifications which are not quantifiable, the Company's accumulated losses at the end of the financial period of fifteen months the net worth is negative. Further, the Company has incurred cash, losses during the current and immediately preceding financial period.*
- (xi) *The company has defaulted in repayment of dues to bank and financial institutions. According to the information and explanations given to us the amount and period of default could not be given as details such as overdue interest, penalties, damages, cost etc. as considered by lenders in their SERFASI Notice has not been mentioned or made available to the company. Further details are given note no.33 the notes to account.*
- (xii) According to information and explanation given to us and based on the documentation and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended are not applicable to the Company.
- (xiv) In our opinion and according to information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the period
- (xvi) In our opinion, the term loans which were raised in earlier periods have been applied for the purpose for which the loans 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 no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the period.
- (xix) The Company did not issue any debentures during the period.
- (xx) The Company has not raised money by way of public issue during the period.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Ladha G. D. & Co.**  
Chartered Accountants  
Firm Registration number: 010962C

New Delhi  
Dated: 1<sup>st</sup> August, 2015

**Nitin Pahariya**  
Partner  
Membership number: 409770



**K. S. OILS LIMITED**  
**Balance Sheet as at March 31, 2014**

(Rs. in Lacs)

	Note No.	As at March 31, 2014	As at December 31, 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	1	30580	30580
Reserves and Surplus	2	(176298)	(25246)
		<b>(145718)</b>	<b>5334</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	3	170371	129191
Deferred Tax Liabilities (Net)	4	11436	11407
Other Long Term Liabilities	5	52	59
Long Term Provisions	6	15	28
		<b>181874</b>	<b>140685</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	113595	107262
Trade Payables	8	16843	21286
Other Current Liabilities	9	14965	50971
Short Term Provisions	10	2	41
		<b>145405</b>	<b>179560</b>
		<b>181561</b>	<b>325579</b>
<b>II ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	11		
-Tangible Assets		92629	98349
-Intangible Assets		-	-
-Capital Work In Progress		2624	2624
Non Current Investments	12	10370	15511
Long Term Loans and Advances	13	1577	4209
Other Non Current Assets	14	31	335
		<b>107230</b>	<b>121027</b>
<b>Current Assets</b>			
Inventories	15	14741	103613
Trade Receivables	16	20173	76962
Cash and Bank Balances	17	1861	2610
Short Term Loans and Advances	18	33657	16304
Other Current Assets	19	3899	5063
		<b>74331</b>	<b>204552</b>
		<b>181561</b>	<b>325579</b>

Significant Accounting Policies and other notes

29 to 57

As per our report of even date  
For **LADHA G.D. & CO.**  
Chartered Accountants  
Firm Registration No. 010962C

For and on behalf of Board of Directors  
**K.S OILS LIMITED**

**Nitin Pahariya**  
Partner  
M. No. 409770  
Place: New Delhi  
Date: August 1, 2015

**Ramesh Chand Garg**  
Managing Director

**Sandeep Kumar**  
Company Secretary  
Place: New Delhi

**Davesh Agarwal**  
Executive Director & CFO

**K. S. OILS LIMITED****Statement of Profit and Loss for The Period Ended on March 31, 2014**

(Rs. in Lacs)

	Note No.	For the period ended on March 31, 2014	For the period ended on Dec 31, 2012
Revenue from Operations	20	100982	382330
Less : Excise Duty		98	236
Revenue from Operations (Net)		100884	382094
Other Income	21	1159	1056
<b>Total Revenue</b>		<b>102043</b>	<b>383150</b>
<b>Expenses</b>			
Cost of Materials Consumed	22	47025	309983
Purchase of Stock in Trade	22	59099	56324
Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	23	19976	13406
Employee Benefit Expenses	24	1444	2819
Finance Costs	25	18041	44154
Depreciation and Amortization Expenses	26	7605	9549
Administrative and Other Expenses	27	7419	18135
<b>Total Expenses</b>		<b>160609</b>	<b>454370</b>
<b>Loss before exceptional items and tax</b>		<b>(58566)</b>	<b>(71220)</b>
Exceptional Items	28	93129	65010
<b>Loss before tax</b>		<b>(151695)</b>	<b>(136230)</b>
<b>Tax Expense</b>			
Tax Related to previous years		(685)	184
Mat Credit Reversal		0	0
Deferred Tax	4	29	788
<b>Loss for the period</b>		<b>(151039)</b>	<b>(137203)</b>
<b>Earnings Per Equity Share</b>			
Basic/Diluted (F.V. of Rs. 1 each)		(32.98)	(31.04)
Significant Accounting Policies and other notes	29 to 57		

As per our report of even date  
For **LADHA G.D. & CO.**  
Chartered Accountants  
Firm Registration No. 010962C

For and on behalf of Board of Directors  
**K.S OILS LIMITED**

**Nitin Pahariya**  
Partner  
M. No. 409770  
Place: New Delhi  
Date: August 1, 2015

**Ramesh Chand Garg**  
Managing Director

**Davesh Agarwal**  
Executive Director & CFO

**Sandeep Kumar**  
Company Secretary  
Place: New Delhi

**K. S. OILS LIMITED**  
**Cash Flow Statement for the period ended March 31, 2014**

(Rs. in Lacs)

Particulars	2013-14	2011-12
<b>Cash Flow from Operating Activities</b>		
Net (Loss)/Profit for the Period/Year Before Tax	(151695)	(136230)
Share Issue Expenses Writoff	-	(319)
Depreciation	7605	9549
Provision for Diminution in value of investment	5142	6501
Interest Received	(648)	(850)
Interest Cost	17062	43260
Government Grant	(7)	(9)
Provision for Doubtful Debts	87963	51943
Unrealised Exchange Rate Fluctuation	280	518
Profit on Sale of Fixed Assets	(76)	(17)
Taxes Paid	(123)	(783)
<b>Adjustments</b>		
Decrease/(Increase) in Inventory	88872	67980
Decrease/(Increase) in Trade Receivable	(31245)	(32963)
(Decrease)/Increase in Trade Payable and Provisions	(40466)	(7431)
Decrease/(Increase) in Other Receivables & Loans & Advances	(12779)	(4501)
<b>Net Cash Flow from Operating Activities :: [A]</b>	<b>(30116)</b>	<b>(3354)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of the Fixed Assets	(2120)	(1451)
Sale of Fixed Assets	307	46
Decrease in Capital WIP	-	1052
Investment In Subsidiary	-	(685)
Loan to Subsidiaries	(190)	1268
Decrease in FD with Schedule Banks	921	8085
Interest Received	648	850
<b>Net Cash Flow from Investing Activities :: [B]</b>	<b>(434)</b>	<b>9166</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issuance of Shares	-	28437
Proceeds from Borrowings (other than Term Loans)	6334	(52479)
Proceeds from Term Loans	41458	61263
Dividend Paid	(17)	(5)
Interest Paid	(17062)	(43260)
(Increase)/Decrease in unclaimed dividend account	7	13
<b>Net Cash Flow from Financing Activities :: [C]</b>	<b>30720</b>	<b>(6031)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents: [A+B+C]</b>	<b>170</b>	<b>(219)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>430</b>	<b>649</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>600</b>	<b>430</b>
Notes:		
<b>Cash and Cash Equivalent Includes :-</b>		
Cash in Hand	87	97
Balance with scheduled Banks		
In Current Accounts	513	333

As per our report of even date  
For **LADHA G.D. & CO.**  
Chartered Accountants  
Firm Registration No. 010962C

For and on behalf of Board of Directors  
**K.S OILS LIMITED**

**Nitin Pahariya**  
Partner  
M. No. 409770  
Place: New Delhi  
Date: August 1, 2015

**Ramesh Chand Garg**  
Managing Director

**Davesh Agarwal**  
Executive Director & CFO

**Sandeep Kumar**  
Company Secretary  
Place: New Delhi

**K. S. OILS LIMITED**

Notes referred to in the Balance Sheet are as follows:

**Note 1 : Share Capital**

(Rs. in Lacs)

	As at March 31, 2014	As at Dec. 31, 2012
<b>Authorized Capital</b>		
90,00,00,000 (Dec 31, 2012 : 90,00,00,000) Equity shares of RS 1/-Each	9000	9000
29,85,00,000 (Dec 31, 2012 : 29,85,00,000) 1% Cumulative Redeemable Preference Share of Rs. 10/- each	29850	29850
<b>Issued, Subscribed and Paid Up Capital</b>		
45,91,80,037( Dec 31, 2012 45,91,80,037) Equity shares of Rs 1/- each, fully paid up	4592	4592
25,98,82,735 (Dec 31, 2012: 25,98,82,735) 1% Cumulative Redeemable Preference Share @ Rs 10/- each fully paid up and issued against conversion of Loan.	25988	25988
<b>Total</b>	<b>30580</b>	<b>30580</b>

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

	As at March 31, 2014	As at Dec. 31, 2012
<b>Equity Shares</b>		
No. of Equity Shares at the beginning of reporting period	459180037	425412755
Add: Shares issued during the year	-	33767282
Less: Buy Back during the year	-	-
<b>No. of Equity Shares at the end of the reporting period</b>	<b>459180037</b>	<b>459180037</b>

**(b) Reconciliation of the number of Preference Shares outstanding at the beginning and at the end of the reporting period:**

	As at March 31, 2014	As at Dec. 31, 2012
<b>Preference Shares</b>		
No. of preference Shares at the beginning of reporting period	259882,735	-
Add: Shares issued during the period	-	259882735
Less: Redeemed during the period	-	-
<b>No. of Preference Shares at the end of the reporting period</b>	<b>259882735</b>	<b>259,882,735</b>

**(c) List of the Equity Shareholders holding more than five percent of shares in the company as at the Balance Sheet date: (in Holding Company)**

	As at March 31, 2014		As at Dec. 31, 2012	
	No. of Shares	in %	No. of Shares	in %
Baring Private Equity Asia III Mauritius	35704070	7.78	35704070	7.78
NSR Direct Pe Mauritius LLC	40330926	8.78	40330926	8.78
Abhi Ambi Financial Services Ltd	39330183	8.57	-	-

**(d) List of the Preference Shareholders holding more than five percent of shares in the company as at the Balance Sheet date: (in Holding Company)**

	As at March 31, 2014		As at Dec. 31, 2012	
	No. of Shares	in %	No. of Shares	in %
State Bank of India	65702735	25.28	65702735	25.28
Axis Bank Limited	55310000	21.28	55310000	21.28
Central Bank of India	26620000	10.24	26620000	10.24
Andhra Bank	21880000	8.42	21880000	8.42

Jammu and Kashmir Bank Limited	20000000	7.70	20000000	7.70
IDBI Bank Limited	18770000	7.22	18770000	7.22
State Bank of Mysore	18000000	6.93	18000000	6.93

### (e) Preferential Issue of Equity Shares

In order to meet the fund requirement of the Company for working capital and general corporate purposes, the Company came out with the preferential issue of equity shares to the Qualified Institutional Buyers (QIB) through Qualified Institutional Placement during the period at an issue price calculated under SEBI (ICDR) Regulation, 2009 on preferential basis duly approved by the Board of Directors and the Shareholders.

On April 09, 2012 the Company has allotted 33,767,282 Equity Shares of Rs. 1/- each at a premium of Rs. 6.25 to the QIB's and raised Rs. 2448.13 lacs.

The entire proceeds received towards the QIP issue have been utilized by the company for the purpose of working capital requirement.

### (f) Terms / rights attached to Equity Shares:

- The Company has a single class of equity shares having a par value of Rs 1/- per share
- Each holder of equity share is entitled to one vote per share.
- The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

### (h) Terms of Issue of 1% Cumulative Redeemable Preference Share (CRPS)

- The Company has issued 1% CRPS at face value of Rs. 10 each to the Lenders under the terms and conditions of CDR package.
- The CRPS arising out of conversion of 20% of all term loans (except the Wind Mill Term Loan) aggregating to Rs. 2985 Lacs shall carry a dividend of 1% p.a. Dividend shall be payable at the end of each year from the date of allotment of the CRPS till the date of redemption.
- The CRPS shall be redeemable after completion of 7 (seven) years from the date of allotment of the same i.e., in FY 2021 with a redemption premium of 64% on Face Value.
- Payment of redemption premium is subject to the condition that the same being paid out of the cash available with the Company and is in excess of Rs. 7500 Lacs.

### Note 2 : Reserves and Surplus

(Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Capital Reserve</b>		
Opening Balance	2449	2,449
Add: Capitalisation of Fixed Assets	3	-
<b>Closing Balance</b>	<b>2452</b>	<b>2449</b>
<b>Securities Premium Account</b>		
Opening Balance	88636	86845
Add: Premium received during the period	-	2111
Less: Share Issue Exp.	-	319
<b>Closing Balance</b>	<b>88636</b>	<b>88636</b>

### General Reserve

Opening Balance	-	6578
Less: Amount Transferred to surplus in Statement of Profit and Loss	-	6578
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

### Foreign Currency Translation Reserve

Opening Balance	736	314
Add: Foreign Currency	5	422
<b>Closing Balance</b>	<b>741</b>	<b>736</b>

### Surplus (Balance in statement of Profit and Loss)

Opening Balance	(117068)	13619
Add: Amount Transferred from General Reserve	0	6578
Less: Net Loss for the period	(151039)	(137203)
<b>Total Loss for the Period</b>	<b>(268106)</b>	<b>(117006)</b>
Less: Interest on Dividend	(14)	(40)
Less: Interest on Dividend Distribution Tax	(7)	(22)
<b>Closing Balance</b>	<b>(268127)</b>	<b>(117068)</b>
<b>Total Reserve and Surplus</b>	<b>(176298)</b>	<b>(25246)</b>

### Note 3 : Long Term Borrowings

(Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Term Loans (Secured)</b>		
- From Banks	160679	118755
- From other parties	9692	7796
<b>Term Loans (Unsecured)</b>		
- Loan From promoters	-	2640
<b>Total</b>	<b>170371</b>	<b>129191</b>

### Note 4 : Deferred Tax Liabilities (Net)

(Rs. In Lacs)

Particular	As at March 31, 2014	As at Dec 31, 2012
<b>Deferred Tax Liabilities</b>		
Opening Deferred Tax Liabilities	11407	10272
Add: Difference between book WDV and WDV as per Income Tax Act, 1961	29	903
Less: Reversal of DTL	-	233
<b>Deferred tax liability (net)</b>	<b>11436</b>	<b>11407</b>

'As a matter of prudence and in the absence of virtual certainty, the Company has not recognised Deferred Tax Assets of Rs. 23607 Lacs on unabsorbed depreciation/carry forward losses of Rs. 89452 Lacs.

**Note 5: Other Long Term Liabilities** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Deferred Government Grant	52	59
<b>Total</b>	<b>52</b>	<b>59</b>

**Note 6: Long Term Provisions** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Leave Encashment	15	28
<b>Total</b>	<b>15</b>	<b>28</b>

**Note 7 : Short Term Borrowings** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Working Capital Loans (Secured)</b>		
From Banks	103622	97289
<b>Short Term Corporate Loan (Secured)</b>		
From others	9973	9973
<b>Total</b>	<b>113595</b>	<b>107261</b>

**Note 8 : Trade Payables** (Rs. In Lacs)

Particular	As at March 31, 2014	As at Dec 31, 2012
Micro Small and Medium Enterprises	280	260
Other Trade Payables	16563	21026
<b>Total</b>	<b>16843</b>	<b>21286</b>

**(a) The Micro, Small and Medium Enterprises Development Act, 2006**

Company has send letter to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Act, 2006 as well as they have filed required memorandum with the prescribed authorities. Out of the letters send to the parties, some confirmations have been received till the date of finalization of Balance Sheet.

	As at March 31, 2014	As at Dec 31, 2012
The Principal amount and interest due thereon remaining unpaid to any supplier:		
Principal	261	134
Interest**	96	65

The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

Nil Nil

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006\*\*

9 13

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.

126 48

The amount of interest accrued and remaining unpaid at the end of each accounting year.

231 126

\*\* Total Interest payable to MSME parties for the FY 13-14 were Rs. 1,05,02,470/- out of which only Rs. 18,84,525/- have been provided during FY 13-14.

**Note 9 : Other Current Liabilities** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Current Maturities of Long Term Borrowings	0	36851
Interest Payable	6719	6146
Unclaimed Dividend Account	36	43
Unpaid Dividend	350	366
Dividend Distribution Tax	0	122
Security Deposit from Customers and Suppliers	5	5
<b>Other Payables</b>		
Outstanding Indirect Expenses	410	605
Advances From Customers	3943	2618
Overdrawn Bank Balance	3	20
Statutory Liabilities	1404	1867
Payable for Capital Goods	1373	1398
Other Payables	645	832
Interest on Dividend	71	58
Interest on Dividend Distribution Tax	0	33
Deferred Government Grant	6	6
<b>Total</b>	<b>14965</b>	<b>50971</b>

**Note 10: Short Term Provisions** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Provision for Employee Benefits	2	41
<b>Total</b>	<b>2</b>	<b>41</b>



**Note 12 : Non Current Investments** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Other Investment</b>		
Investment in Subsidiary		
K.S. Natural Resources Pte. Ltd. Singapore (100% Subsidiary) 6,75,44,228 Equity Shares (Dec 31, 2012 : 6,75,44,228) @ SGD 1/- each fully paid up	22012	22012
Less: Provision for Diminution in value of investment	11642	6501
<b>Total</b>	<b>10370</b>	<b>15511</b>

**Note 13 : Long Term Loans and Advances** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Capital Advances</b>		
Unsecured, Considered -Good	379	3076
<b>(A)</b>	<b>379</b>	<b>3076</b>
<b>Security Deposits</b>		
Unsecured, Considered- Good	481	456
-Doubtful	1	1
Less: Provision for doubtful Advances	1	1
<b>(B)</b>	<b>481</b>	<b>456</b>
<b>Loans and Advance to Staff</b>		
Unsecured, Considered -Good	31	55
-Doubtful	6	6
Less: Provision for doubtful Advances	6	6
<b>(C)</b>	<b>31</b>	<b>55</b>
<b>Other</b>		
Advance Tax (Dec 31, 2012: Advance Tax of Rs 8469 Lacs net off with Provision for Tax of Rs 7847 Lacs)	686	622
<b>(D)</b>	<b>686</b>	<b>622</b>
<b>Total (A+B+C+D)</b>	<b>1577</b>	<b>4209</b>

**Note 14 : Other Non Current Assets** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Sales Tax Refund Receivables	29	324
Fixed Deposits (More than 12 Months maturity)	2	11
<b>Total</b>	<b>31</b>	<b>335</b>

**Note 15 : Inventories** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Raw Materials (net off value of obsolete stock)	6559	75377
Finished Goods		

(net off value of obsolete stock)	6709	26020
Packing Materials	362	741
Stores and Spares	1041	1119
By Product	70	356
<b>Total</b>	<b>14741</b>	<b>103613</b>

**Note 16 : Trade Receivables** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Exceeding Six Months from the date they become payable</b>		
Unsecured considered - Good	16970	17172
- Doubtful	139579	47458
Less: Provision for doubtful debts	139579	47458
<b>(A)</b>	<b>16970</b>	<b>17172</b>
<b>Less than Six Months from the date they become payable</b>		
Unsecured considered -Good	3203	59791
-Doubtful	-	4087
Less: Provision for doubtful debts	-	4087
<b>(B)</b>	<b>3203</b>	<b>59791</b>
<b>Total (A+B)</b>	<b>20173</b>	<b>76962</b>

**Note 17 : Cash and Bank Balances** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Cash and Cash Equivalents</b>		
Cash on Hand	87	97
<b>Other Bank Balances</b>		
Balances with Banks	513	333
Fixed Deposits (Maturity less than 12 Months)	1225	2137
Unclaimed Dividend	36	43
<b>Total</b>	<b>1861</b>	<b>2610</b>

**(a) Fixed Deposit under Lien** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Fixed deposits under lien with bank for Bank Guarantees, Letter of Credit & Others	13	13

**Note 18 : Short Term Loans and Advances** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Advances recoverable in cash or kind</b>		
Advances to Suppliers - Good	30725	13670
- Doubtful	697	697
Less Provision for doubtful advances	697	697
<b>30725</b>	<b>13670</b>	



Prepaid Expenses	512	734
Advance to Staff	59	80
Advance for Expenses or others	164	104
<b>(A)</b>	<b>31460</b>	<b>14588</b>
<b>Balance with Revenue Authorities</b>		
VAT Credit Receivable	756	469
Excise and Service tax Refundable	34	35
<b>(B)</b>	<b>790</b>	<b>504</b>
<b>Loans and Advances to Related Parties (Step down Subsidiary)</b>		
Unsecured, Considered Good		
Loan to K.S. SDN BHD.	1407	1211
<b>(C)</b>	<b>1407</b>	<b>1211</b>
<b>Total (A+B+C)</b>	<b>33657</b>	<b>16304</b>

**Note 19 : Other Current Assets** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Windmills Income and Claim Receivables	314	383
Less : Provision for Doubtful Claims	165	238
	148	145
Export Benefit Receivables	8	43
Insurance Claim Receivables	195	175
Interest Receivables on FDR	193	1029
Misc Current Assets	98	6
Sales Tax Refund Receivables	3257	3665
<b>Total</b>	<b>3899</b>	<b>5063</b>

Notes referred to in the Statement of Profit and Loss are as follows:

**Note 20 : Revenue from Operations** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
Domestic Sales (Including highseas sales)	97899	357529
Export Sales	94	557
Sales against 'H' form	2086	23660
Other Operating Revenues	902	584
<b>Sub-Total</b>	<b>100982</b>	<b>382330</b>
Less: Excise Duty	98	236
<b>Total</b>	<b>100884</b>	<b>382094</b>

**Note 21 : Other Income** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
Interest Income	648	850
Profit on sale of Fixed Asset	76	8

Misc Income	435	198
<b>Total</b>	<b>1159</b>	<b>1056</b>

**Note 22 : Cost of Materials Consumed** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
<b>Raw Materials</b>		
Opening Stock	75377	127156
Add : Purchase during the period	37306	318279
Less : Closing Stock	6559	75377
	<b>106124</b>	<b>370058</b>
Less: Cost of goods traded	59099	56324
Less : Value of obsolete stock w/o (refer note 28)	0	3752
<b>Net cost of material consumed</b>	<b>47025</b>	<b>309983</b>

**Note 23 : Changes in inventories of Finished Goods, Work in Progress and Stock in Trade** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
<b>Opening Stock</b>		
Finished Goods	26020	40611
By Products	356	519
Packing Material	741	1978
<b>Total (A)</b>	<b>27117</b>	<b>43108</b>
<b>Closing Stock</b>		
Finished Goods	6709	26020
By Product	70	356
Packing Material	362	741
<b>Total (B)</b>	<b>7141</b>	<b>27117</b>
<b>(Increase) / Decrease in Inventory (A-B)</b>	<b>19976</b>	<b>15991</b>
Less : Value of obsolete stock w/o (refer note 28)	0	2585
<b>(Increase) / Decrease in Inventory</b>	<b>19976</b>	<b>13406</b>

**Note 24 : Employee Benefit Expenses** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
Salaries and Wages	1282	2530
Contributions to Provident and Other Funds	51	100
Staff Welfare Expenses	111	189
<b>Total</b>	<b>1444</b>	<b>2819</b>

**Note 25 : Finance Costs** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
Interest Expense	17062	43260
Interest on income tax	524	32
Other Borrowing Costs	0	8
Bank Charges	175	328
Foreign Currency Transaction Loss	280	526
<b>Total</b>	<b>18041</b>	<b>44154</b>

**Note 26 : Depreciation and Amortization Expenses** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
Depreciation on Fixed Assets	7605	9549
<b>Total</b>	<b>7605</b>	<b>9549</b>

**Note 27 : Administrative and Other Expenses** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
Consumption of Stores and Spare Parts	69	238
Power and Fuel	1927	4403
Labour Charges	239	441
Other Manufacturing Expenses	580	1002
Rent	243	953
Repairs to Buildings	16	50
Repairs to Machinery	85	255
Insurance	144	300
Windmills Expenses	1029	1121
Windmills Claims written off	41	377
Agriculture Expenses	13	71

Rates and Taxes, excluding Taxes on Income	295	401
Transport Loading and Unloading Charges	769	2276
Packing Expenses	10	59
Advertisement and Sales Promotion Expenses	196	357
Legal and Professional Fees	416	1310
Other Repairs	60	140
Wealth Tax	1	1
Charity and Donation	2	2
Travelling & Conveyance	207	388
Audit Fees including Expenses	16	90
Misc Expenditure	308	3900
Job Work Charges (Prior Period)	753	-
<b>Total</b>	<b>7419</b>	<b>18135</b>

**Note 28 : Exceptional Items** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31,2012
Provision For Bad and Doubtful debts and Loans and Advance	87987	52173
Provision for Diminution in value of investment	5142	6501
Value of obsolete stock written off (Raw Material and Finished Goods)	-	6336
<b>Total</b>	<b>93129</b>	<b>65010</b>

A) Provisions for doubtful debts aggregating to Rs. 47414 Lacs pertains to the sales of the current period(Previous Year : Dec 31, 2012 Rs 35741 lacs), which is also a part of an exceptional item.

## Lean Disclosure As on 31.03.14

Type of Loan	Name of Lender	Amount (In Lacs)	Rate of Interest	Nature of Security	Terms of Repayment
Wind Mill Term Loan	Bank 1 Bank 2 Bank 3 Bank 4	1810 3895 3999 7653	14.00% p.a. 14.75% p.a. 13.50% p.a. 13.00% p.a.	An exclusive mortgage and charge over all the Wind Mill Assets of the Company	The entire Outstanding principal along with interest etc. has been called off by the Lenders by issuing SARFESAI Notice on dated 26th Dec. 2013
	Bank 5	3144	LIBOR+2.58 BPS		Default in repayment
Edible oil Term Loan	Bank 6 Bank 1 Bank 7 Bank 8 Bank 3	5850 10231 4718 7044 5611	13.25% p.a. 13.25% p.a. 13.15 % p.a. 13.25 % p.a. 13.5 % p.a.	a) A first pari passu charge over the entire fixed assets (both present and future) of the Company by way of an equitable mortgage, excluding the Wind Mill Assets and Haldia Unit Assets. b) A second pari passu charge over the Haldia Unit Assets, (both present and future) by way of an equitable mortgage. c) A second pari passu charge over the entire current assets of the Company.	The entire Outstanding principal along with interest etc. has been called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Haldia Unit Term Loan	Bank 4 Bank 9	2086 2340	13.00 % p.a. 18.75 % p.a.	A first mortgage and charge over the entire Haldia Unit Assets	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Working Capital Term Loan	Bank 3 Bank 1 Bank 10 Bank 9 Bank 2 Bank 11 Bank 4	15744 9024 8069 650 7723 2622 6528	13.5 % p.a. 13.25 % p.a. 13.00 % p.a. 18.75 % p.a. 17.25 % p.a. 13.25 % p.a. 13.00 % p.a.	a) A first pari passu charge over the entire Current assets of the Company b) A second pari passu charge over the entire fixed assets (both present and future) by way of an equitable mortgage including Haldiya Unit Assets but excluding Wind Mill Assets.	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Other Secured Term Loan	Bank 12	2768	12.7 % p.a.	a) A second pari passu charge over the entire fixed assets (both present and future) by way of an equitable mortgage excluding Haldiya Unit Assets and Wind Mill Assets. b) A second pari passu charge over the entire Current assets of the Company	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
	Body Corporate 1	9692	10.75%	a) First pari passu charge on the entire fixed assets of the Company (Both present & Future) (Other than Wind Mill Assets and	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on

				Haldiya Plant Assets), with minimum 1.5 time security cover during the loan term	dated 4th March 2014.
	Body Corporate 2	9973	36.00%	a) First pari passu charge on the entire fixed assets of the Company (Both present & Future) (Other than Wind Mill Assets and Haldiya Plant Assets) b) Subservient charge on Wind Turbines with aggregate capacity of 78 MW	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Cash Credit	Bank 10 Bank 3 Bank 9 Bank 1 Bank 2 Bank 11	11765 42826 9483 12183 15665 11700	13.00% p.a. 13.25% p.a. 10.00 % p.a. 13.75 % p.a. 20.86 % p.a. 13.25 % p.a.	a) A first pari passu charge over the entire current assets of the Company. (b) A second ranking pari passu charge over the entire fixed assets (both present and future) of the Company by way of an equitable mortgage, including the Haldia Unit Assets but excluding the Wind Mill Assets.	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Funded Interest	Bank 3 Bank 1 Bank 6 Bank 7 Bank 8 Bank 4 Bank 9 Bank 10 Bank 2 Bank 11 Bank 12	10066 5159 935 563 1083 3040 2486 2764 4354 2078 295	13.5% p.a. 13.25% p.a. 13.25 % p.a. 13.15 % p.a. 13.25 % p.a. 13.00 % p.a. 18.75 % p.a. 13.00 % p.a. 17.25 % p.a. 13.25 % p.a. 12.7 % p.a.	(A) For Wind Mill Lenders (a) A first ranking mortgage and charge over the Wind Mill Assets of the Company. (B) For other than Wind Mill Lenders (i) Other than Bank of India (a) A first pari passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than Wind Mill Assets and Haldia Unit Assets. (b) A second pari passu charge over the Haldia Unit Assets, (both present and future) by way of an equitable mortgage. (ii) For Bank of India (a) A second pari passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than Wind Mill Assets and Haldia Unit Assets. (iii) For all Lenders (a) A second pari passu charge over the entire current assets of the Company	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Application Money: 1% Compulsorily Convertible Debentures (CCD's)	Bank 3 Bank 1 Bank 6	4928 4148 1349	13.5 % p.a. 13.25 % p.a. 13.25 % p.a.	(i) Other than Bank of India (a) A first pari-passu charge on the entire fixed assets	The entire Outstanding principal alongwith interest etc. has been

	Bank 8	1516	13.25 % p.a.	(both present and future) of the Company, by way of an equitable mortgage, other than the Wind Mill Assets and the Haldia Unit Assets. (ii) For Bank of India (a) A second pari-passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, excluding the Wind Mill Assets and the Haldia Unit Assets.	Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
	Bank 4	1996	13.00 % p.a.		
	Bank 9	695	18.75 % p.a.		
	Bank 10	0	13.00 % p.a.		
	Bank 2	1713	17.25 % p.a.		
	Bank 11	0	13.25 % p.a.		
	Bank 12	0	12.7 % p.a.		

**Common Security for all the Borrowings (Other than CCD's)**

- (A) Personal Guarantee from each promoter to all the lenders
- (B) Pledge of 100% Promoters shareholding in the Company, free of all encumbrances, including additional shares acquired by the Promoters on infusion of equity in the Company (If any)
- (C) Pledge of 100% of the following investments held by the Borrower, free of all encumbrances,

Name of the Company	No. of Equity/Preference Shares	
	As at March 31, 2014	As at Dec 31, 2012
1) KS Natural Resources Pte. Ltd	65679859	65679859
2) KS Oils Sdn. Bhd. (Malaysia)	566300	566300
3) PT Buana Mega Sentosa Plantation (Indonesia)	54600	54600
4) KS Agri Resources Pte. Ltd. (Singapore)	23815576	23815576
5) PT Mega Artha Peresada (Indonesia)	4500	4500
6) PT Biodiesel Jambi (Indonesia)	48600	48600
7) PT Tunas Bersusun Abadi (Indonesia)	47520	47520
8) PT Luvang Urip (Indonesia)	3800	3800

## Loan Disclosure As on 31.12.12

Type of Loan	Name of Lender	Amount (In Lacs)	Rate of Interest	Nature of Security	Terms of Repayment	Amount of Default (Principal)	Amount of Default (Interest)	Period of Default
Wind Mill Term Loan	Bank 1 Bank 2 Bank 3 Bank 4	1734 3220 4036 7779	10.75% p.a.	An exclusive mortgage and charge over all the Wind Mill Assets of the Company	The entire principal outstanding is repayable on or before June 30, 2013 Default in Payment	NIL NIL NIL NIL	NIL NIL NIL NIL	June 2011 to Dec 31, 2012
	Bank 5	2866	LIBOR+ 2.58 Basis Points			1611.55	181.48	
Edible Oil Term Loan	Bank 6 Bank 1 Bank 7 Bank 8 Bank 3	5903 9798 3280 6500 5662	10.75% p.a.	a) A first pari passu charge over the entire fixed assets (both present and future) of the Company by way of an equitable mortgage, excluding the Wind Mill Assets and Haldia Unit Assets.  b) A second pari passu charge over the Haldia Unit Assets, (both present and future) by way of an equitable mortgage.  c) A second pari passu charge over the entire current assets of the Company.	7.18% of the principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installments up to June 30, 2021	NIL NIL NIL NIL NIL	NIL NIL NIL NIL NIL	
	Haldia Unit Term Loan	Bank 4 Bank 9	2048 2340	10.75% p.a.		A first mortgage and charge over the entire Haldia Unit Assets	7.18% of the principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installments up to June 30, 2021	
Working Capital Term Loan	Bank 3 Bank 1 Bank 10 Bank 9 Bank 2 Bank 11 Bank 4	15888 8341 7109 650 6157 2049 6587	10.75% p.a.	a) A first pari passu charge over the entire Current assets of the Company  b) A second pari passu charge over the entire fixed assets (both present and future) by way of an equitable mortgage including Haldiya Unit Assets but excluding Wind Mill Assets.	7.18% of the principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installments up to June 30, 2021	NIL NIL NIL NIL NIL NIL NIL	NIL NIL NIL NIL NIL NIL NIL	
	Other Secured Term Loans	Bank 12	2018	10.75% p.a.		a) A second pari passu charge over the entire fixed assets (both present and future) by way of an equitable mortgage excluding Haldiya Unit Assets and Wind Mill Assets.  b) A second pari passu charge over the entire Current assets of the Company	7.18% of the principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installments up to June 30, 2021	
	Body Corporate 1	9692	13.00% p.a.	a) First pari passu charge on the entire fixed assets of the Company (Both present & Future) (Other than Wind Mill Assets and Haldiya Plant Assets), with minimum 1.5 time security cover during the loan term	Default in Payment	3166.00	1632.79	Feb. 11 to Dec. 12

	Body Corporate 2	9973	14.00% p.a.	a) First pari passu charge on the entire fixed assets of the Company (Both present & Future) (Other than Wind Mill Assets and Haldiya Plant Assets) b) Subservient charge on Wind Turbines with aggregate capacity of 78 MW	Default in Payment	9973.00	2033.76	July 11 to Dec. 12
Cash Credit	Bank 10 Bank 3 Bank 9 Bank 1 Bank 2 Bank 11	8700 43218 9082 11867 12614 11807	10.75% p.a.	a) A first pari passu charge over the entire current assets of the Company. (b) A second ranking pari passu charge over the entire fixed assets (both present and future) of the Company by way of an equitable mortgage, including the Haldia Unit Assets but excluding the Wind Mill Assets.	N. A.	NIL NIL NIL NIL NIL NIL	NIL NIL NIL NIL NIL NIL	
Funded Interest Term Loan-II	Bank 3 Bank 1 Bank 6 Bank 7 Bank 8 Bank 4 Bank 9 Bank 10 Bank 2 Bank 11 Bank 12	9491 5065 895 502 1062 3071 1856 2462 3505 1972 293	6.00% p.a.	(A) For Wind Mill Lenders (a) A first ranking mortgage and charge over the Wind Mill Assets of the Company. (B) For other than Wind Mill Lenders (i) Other than Bank of India (a) A first pari passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than Wind Mill Assets and Haldia Unit Assets. (b) A second pari passu charge over the Haldia Unit Assets, (both present and future) by way of an equitable mortgage (ii) For Bank of India (a) A second pari passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than Wind Mill Assets and Haldia Unit Assets. (iii) For all Lenders (a) A second pari passu charge over the entire current assets of the Company.	(A) For Wind Mill Leaders (a) The entire amount is repayable on or before June 30, 2013. (B) For other than Wind Mill Leaders 9.58% of Principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installment up to June 30, 2011	NIL NIL NIL NIL NIL NIL NIL NIL NIL NIL NIL	47.94 49.91 8.67 4.90 9.78 25.22 NIL 22.34 33.77 19.15 2.66	Dec. 12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12
Application Money: 1% Compulsorily Convertible Debentures (CCD's)	Bank 3 Bank 1 Bank 6 Bank 7 Bank 8	4928 4148 1355 750 1503	1% p.a.	(i) Other than Bank of India (a) A first pari-passu charge on the entire fixed assets (both	The CCDs are compulsorily convertible into equity at the end of 18 months from the date of allotment at a	NIL NIL NIL NIL NIL	4.11 6.93 6.75 5.63 2.50	Dec-12 Nov. 12-Dec. 12 July. 12-Dec. 12 April 12-Dec. 12 Nov. 12-Dec. 12

Bank 4	2014	present and future)	SEBI determined price.	NIL	3.33	Nov. 12-Dec. 12
Bank 9	695	of the Company, by		NIL	1.15	Nov. 12-Dec. 12
Bank 10	1641	way of an equitable		NIL	15.04	Feb. 12-Mar. 12
Bank 2	1410	mortgage, other than		NIL	2.35	Nov. 12-Dec. 12
Bank 11	630	the Wind Mill Assets		NIL	9.45	Nov. 12-Dec. 12
Bank 12	500	and the Haldia Unit		NIL	3.75	April 12-Dec. 12
		Assets.				
		(ii) For Bank of India				
		(a) A second pari-passu				
		charge on the entire				
		fixed assets (both				
		present and future)				
		of the Company, by				
		way of an equitable				
		mortgage, excluding				
		the Wind Mill Assets				
		and the Haldia Unit				
		Assets.				

#### Common Security for all the Borrowings (Other than CCD's)

- (A) Personal Guarantee from each promoter to all the lenders
- (B) Pledge of 100% Promoters shareholding in the Company, free of all encumbrances, including additional shares acquired by the Promoters on infusion of equity in the Company (If any)
- (C) Pledge of 100% of the following investments held by the Borrower, free of all encumbrances,

Name of the Company	No. of Equity/Preference Shares	
	As at December 31, 2012	As at June 30, 2011
1) KS Natural Resources Pte. Ltd	65679859	-
2) KS Oils Sdn. Bhd. (Malaysia)	566300	-
3) PT Buana Mega Sentosa Plantation (Indonesia)	54600	-
4) KS Agri Resources Pte. Ltd. (Singapore)	23815576	-
5) PT Mega Artha Peresada (Indonesia)	4500	-
6) PT Biodiesel Jambi (Indonesia)	48600	-
7) PT Tunas Bersusun Abadi (Indonesia)	47520	-
8) PT Luvang Urip (Indonesia)	3800	-

#### Note 29: SIGNIFICANT ACCOUNTING POLICIES

##### 29.1 Basis of Accounting

The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory accounting standards ("AS") as notified by the Companies Accounting Standards (Rules), 2006 to the extent applicable and with the relevant provisions of the Companies Act, 1956.

##### 29.2 Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which results are known / materialized. Any revision to an accounting estimate is recognized prospectively in the year of revision.

##### 29.3 Revenue Recognition

- Revenue from sale of goods is recognized when significant risk and rewards in respect of ownership of products are transferred to customers.
- Export entitlements under the Duty Entitlement Pass Book ("DEPB") scheme and Other Schemes are recognized as

income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

##### 29.4 Inventories

- Inventories are valued at lower of cost or net realizable value on FIFO basis.
- Work in Progress is valued at lower of cost of raw Material or Net Realisable Value.
- Inventories comprises of Raw Material, Stores, Spares & Consumables, Work In Progress and Finished Goods.
- Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

##### 29.5 Agricultural Activity

- Biological Assets (Living plants of Mustard, Soya or Jatropha)
  - All costs related to biological assets are recognized as an expense, as and when they are incurred.
  - Biological assets are recognized at net realizable value only when the future economic benefits associated with the assets will flow to the Company.
- Agricultural Produce (harvested products from biological asset) is recognized at net realizable value.



### 29.6 Commodity Hedging (Derivatives)

Pursuant to announcement on accounting for the derivatives issued by the Institute of Chartered Accountants of India (ICAI), in accordance with the principles of prudence as enunciated in Accounting Standard-1 (AS-1), "Disclosure of Accounting policies", the Company provide for losses in respect of all outstanding derivatives contracts at the balance sheet date by marking them to market. Any net unrealized gains arising on such Mark to Market are not recognized as income.

### 29.7 Certified Emission Reductions

- a) Self generated certified emission reductions (C.E.R- also known as carbon credit ) expected to accrue to the Company as a result of windmills are recognized as a part of inventory, when it is certified by United Nations Framework Convention on Climate Change (UNFCCC) and the future economic benefits associated with such CER's will flow to the company.
- b) Incidental expenses are charged to profit and loss account.

### 29.8 Fixed Assets

- a) Tangible Assets
  - i. Tangible assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of fixed assets which takes substantial period of time to get ready for their intended use is capitalized.
  - ii. Advances paid towards the acquisition of the fixed assets outstanding at each balance sheet date shown under the head long term loans and advances.
- b) Intangible Assets are recorded at the consideration paid for the acquisition.

### 29.9 Depreciation/Amortization

#### a) Depreciation:

- i. Depreciation has been charged on SLM basis for:
  1. Windmills.
  2. Plant assets (except for oil and refinery plant located at Morena)
- ii. For all other assets depreciation is provided on WDV basis.
- iii. Depreciation is provided at the rates and in the manner specified under schedule XIV of the Companies Act, 1956.
- iv. Depreciation is calculated on a pro-rata basis from the date of installation / acquisition till the date the assets are sold or disposed.
- v. Individual assets costing less than Rs 5,000 are depreciated fully in the year of acquisition.

#### b) Amortization:

- i. Leasehold assets are amortized over the period of lease.
- ii. Intangible assets are amortized over their estimated useful lives on straight line basis, commencing from the date the asset is available to the Company for its use.
- iii. Goodwill arising in the course of acquisition is amortized over a period of five years.
- iv. Software is fully amortized in the year of capitalization.

### 29.10 Foreign Currency Transactions

- a) Foreign exchange transactions are recorded at the closing

rates prevailing on the date of the respective transactions. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the profit and loss account.

- b) Monetary assets and liabilities denominated in foreign currencies are converted at the closing rates as on Balance Sheet date. The resultant exchange difference is recognized in the profit and loss account.
- c) Exchange rate differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the company's financial statements until the disposal of the net investment.
- d) Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.
- e) In respect of transactions covered by forward exchange contracts, the difference between the yearend closing rate and rate prevailing on the date of contract is recognized as exchange difference and the premium paid on forward contract is recognized over the life of the contract.

### 29.11 Operating Leases

Lease payments under operating leases have been recognized as an expense in the profit and loss account on a straight line basis over the lease term.

### 29.12 Employee Benefits

#### a) Short term Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in profit and loss account of the year in which the related service is rendered.

#### b) Post Employment Benefits

Contribution to Provident Fund and Gratuity Fund are charged against revenue. Gratuity liability is paid to the Life Insurance Corporation of India through a Trust created for the purpose under Group Gratuity Scheme. The Premium paid/payable is being charged to Profit and Loss Account on accrual basis.

#### c) Other Long Term Employees Benefits

Company's liability towards earned leave is determined by an independent actuary using Projected Unit Credit Method. Past services are recognized on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized immediately in the profit and loss account as income or expenses. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to the market yields at the balance sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### 29.13 Investments

Long-term investments are carried at cost less any other then temporary diminution in value. Current investments are carried at the lower of cost or fair value.

### 29.14 Taxation

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the period.

#### a) Current Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

**b) Minimum Alternate Tax [ MAT]:**

In case the Company is liable to pay income tax u/s 115JB of income tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit Entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each balance sheet date.

**c) Deferred Tax**

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

**29.15 Government Grant****a) Capital Grant**

Government grant related to specific fixed assets which are depreciable are treated as deferred income which is recognized in the profit and loss statement on systematic and rational basis over the useful life of the respective asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

**b) Revenue Grant**

Revenue grant related to specific tax exemptions is recognized in the Profit and Loss Account on a systematic and rational basis in the year in which it accrues.

**29.16 Borrowing Cost**

Borrowing cost attributable to acquisition or construction of a qualifying asset is capitalized as part of the cost of asset up to the date such asset is ready for its intended use. Other borrowing costs are charged to profit and loss account in the year in which they are incurred.

**29.17 Employee Stock Option**

Employee Compensation Cost, if any, arising on account of option granted to employees is recognized in the financial statements. It is the difference between the intrinsic value and exercise price of options.

**29.18 Impairment of Assets**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**29.19 Provisions and Contingent Liabilities**

The Company creates a provision when there is a present

obligation as a result of past events that probably requires an outflow of resources and reliable estimates can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed.

**Note 30: Commitments and Contingent Liabilities** (Rs. In Lacs)

	As at March 31, 2014	As at Dec. 31, 2012
a) Claims against the Company not acknowledged as debts in respect of		
i) Excise & custom duty matters under dispute <sup>1</sup>	52	52
ii) Commercial Taxes matter under dispute	7575	664
iii) Income Tax	0	6
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1653	1653
c) Bank Guarantee	143	147
d) Export Promotion against Capital Goods.	276	276
e) Other Commitment		
i) Preference Dividend	388	63
ii) Dividend Distribution Tax	66	11
iii) Premium payable on Redemption of Cumulative Redeemable Preference Shares in June 2021	16632	16632

(f) There have been delays in filing of returns and documents with Regulatory Authorities and in some instances documents filed/required to be filed are not traceable with the Company. The liability, if any, in this regard is not ascertainable.

(g) Matter in regard to dishonour of cheques issued by the Company during the financial period is pending. The liability, if any, in this regard is not ascertainable.

(h) As regards cultivation & maintenance of Jatropa plantation by the Company, one of the conditions in FIPB approval has put restrictions on such activity. The liability if any is not ascertainable. The Company has undertaken such activity in financial year 2008-09 and as stated by the management the company has not extended it further and only maintaining the same.

(i) In respect of remuneration of Rs. 96 lacs paid in financial year 2010-11 (fifteen months ended as on 30.06.11) which was in excess of ceiling prescribed under schedule XIII of the companies Act, 1956. The Company has not yet obtained approval of the central government, the liability if any is not ascertainable.

**Note:**

1 Amounts aggregating Rs. 209 Lacs and Rs. 126 Lacs are deposited as appeal advance as on March 31, 2014 and Dec 31, 2012 respectively against Excise & Custom matters and Sales tax matters.

2 Payment of redemption premium @ 64% of preference share (face value of Rs. 10/- each) is subject to the condition that the same is being paid out from the cash balance is available with Company in excess of Rs. 7500 Lacs.

**Note 31 : Search Operation**

Search Operation was conducted by Income Tax Department on Company and promoters on March 11, 2010 and various documents and

materials were seized by the Department during the search proceedings. The Company in order to have early resolution of matter preferred application before The Hon'ble Settlement Commission in previous year. The Hon'ble Settlement Commission, Mumbai Bench vide its order dated 24th June, 2013 has settled all the cases of the Company from FY 2003-04 to FY 2010-11. However Income tax department filed an appeal before hon'ble Bench of High court at Gwalior. The matter is still pending for consideration.

**Note 32 : Corporate Debt Restructuring:**

- a) The restructuring package was approved by CDR empowered group on 20th December, 2011. The Master Restructuring Agreement has also been signed with the lenders participating in the CDR package ('CDR Lenders') on 14th March, 2012.
- b) However the Company has not been able to service its repayment obligations as sanctioned under CDR scheme and have been made delays and defaults in repayment obligations. Such delays and defaults have consequential impact on the financial statements in terms of approved CDR Scheme and the CDR Scheme has been called off by the CDR Empowered Group in a meeting held in July 2013.
- c) Subsequent to above, the Group of Lenders have issued Demand notice U/s 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of security Interest Act, 2002 for calling of the entire loan amount including interest due thereon for Wind Energy Business and Edible Oil Business dated 26th Dec 2013 & 4th March 2014 respectively. By virtue of above notices, the Company has to repay the entire outstanding loan amount to the lenders within 60 days from the date of notice. However it could not be done.
- d) Subsequent to balance sheet date the Lenders have sold of 82 windmills of 67.2 MW out of total 92 windmills of 78 MW to different buyers between the periods from January 2015 to March 2015 through a separate bidding process for Rs 176.84 Cr. The sales proceed will be utilised for repayment of outstanding loan liability of windmill division. The Net book value of Sold windmills are Rs 266.71 Cr as on 31st March 2014.

**Note 33: Interest on Borrowing and Finance Charges**

The Company had been served demand notice under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 on dated 26th Dec, 2013 for Wind Energy Business and dated 4th March, 2014 for Edible Oil Business respectively for payment of outstanding principal amount including interest etc. The total amount payable as per notices aggregates to Rs. 3535.14 Cr as against Rs. 2886.10 Cr appearing in books of accounts. The difference of Rs 640.04 Cr. Due to Pending details such as overdue interest, penalties, damages, cost etc. as considered by lenders in SARFEASI notices, the Company is not able to quantify the Shortfall in interest and financial charges to be provided in addition to amount already charged by lenders in their statement during the accounting period ended 31st March, 2014.

**Note 34: Agricultural Activity**

During the Financial Year 2008-2009, Government of Madhya Pradesh has allotted a land admeasuring 2,000 hectares to the Company on a license basis for no consideration, for carrying out the agricultural activity for a period of two years; consequently this has not been recognized as a grant.

**Note 35: Variance in Cost and Sales Margin**

Though the quantity of production has changed as compared with those for the earlier periods, the change in relevant expenses is not in the same proportion. This was mainly on account of plant efficiency and cost control measures. Further, there have been fluctuations in average realization of sales price during this period. This was on account of market conditions and quality of goods.

**Note 36: Inventory Verification**

The Company extended its financial year to end on March 31, 2014 (i.e. covering fifteen months period) in November 2013 as per decision of the board of directors of the Company. The inventory verification was undertaken in the month of March'14 by an Independent Firm of Chartered Accountants appointed by lead Bank on tested basis who

roll forwarded inventory as on 31st December, 2013. The discrepancy found by stock auditor has been duly delt with in the books of accounts. The management of the Company confirms that they have carried out physical verification of inventory as on 31st march 2014. However the statutory auditors couldnot carryout or associate for physical verification as they were appointed on 17th March 2015.

**Note 37: Going Concern**

During the financial period the Company has incurred loss of Rs 151039 Lacs and its net worth has been completely eroded. Paucity of adequate working capital has also affected the operations, resulting in partial running or closure of plants (for a limited period). Company is in the process of restructuring its business; hive off whole or part of core and non-core assets for reducing debt burden. Besides, CDR package has been called off by CDR empowered group; the Company is actively pursuing option of re-organization of existing business and/or enters into some strategic alliance or introduces any potential investor. This would enable the Company to tide over its continuing financial burden and ensure smoother running of its plants. To implement such strategy the Company and lenders consortium have appointed a reputed consultancy firm to look into the possible alternatives and suggest plan to be implemented for restructuring including sale of whole or part of Edible Oil and Windmill business, which is in progress. Under the circumstances, the financial statements have been prepared on Going Concern basis and in the opinion of the management no adjustments are considered necessary to the carrying value of its assets and liabilities.

**Note 38: Preferential issue of equity shares and warrants:**

- a) In order to meet the fund requirement of the Company for its (i) Expansion of refinery in India along with other allied expenditure (ii) Investment in its overseas subsidiaries for development of Greenfield palm plantations and acquisition of mature palm plantations and / or CPO mills, all in Indonesia, the Company has come out with preferential allotment of Equity Shares and Warrants to the promoters & other foreign Investors in July, 2009 at an issue price calculated under SEBI (DIP) Guidelines, 2000 on preferential basis duly approved by Shareholders and Board of Directors of the Company.
- b) The entire proceeds received towards the warrants have been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries, except Rs.5065 Lacs. Such unutilized funds of preferential issue which were kept in FD's with the banks in previous periods, except for FD's aggregating Rs. 1227 lacs, balance amount of Rs 3838 lacs have been utilized for the working capital of the company instead of for expansion work in foreign business, which was the primary object of raising funds.

**Note 39: Non Transfer of Dividends:**

Company recommended dividend in FY2009-10 of Rs 858 lacs (Rs 0.18 per share) (inclusive of Dividend Distribution Tax of Rs 122 lacs). Out of the dividend so declared, an amount of Rs 350 lacs remains unpaid of which Rs 260 lacs is to be paid to promoters and balance members of the Company.

Due to severe liquidity crunch, the promoters opted to defer the receipt of their part of dividend till the liquidity improves. For the same reasons the company has not transferred un- paid dividend to a separate Bank account in terms of the requirement of Sec. 205- A of the Companies Act, 1956.

**Note 40: AGM and Results:**

The Company has extended accounting period to fifteen months ending on March 31, 2014. Pursuant to which, according to the Provision of Companies Act, the Company was required to hold an AGM within the three months from the close of financial year, however extension of the AGM was granted by the ROC for further three months vide letter dated 3rd January, 2014. But due to the most of the key personnel's have left the Company during the period and Auditors resignation on 13th February, 2015 the company was not able to get its accounts audited within the stipulated time and was unable to produce the financial statement in the AGM held on 30th September, 2014.

**Note 41 : Derivatives**

- a) Derivative Instruments

There are no yearend foreign currency exposure that have been hedged by derivative instrument

b) The yearend foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Amount receivable in foreign currency on account of the following:

	As at March 31, 2014		As at Dec. 31, 2012	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Export of Goods	Nil	Nil	Nil	Nil
Loan receivable from subsidiaries (MYR)	7663068	1407	6588045	1211
Other Loan Receivables (MYR)	242700	45	242700	45

ii) Amount payable in foreign currency on account of the following:

	As at March 31, 2014		As at Dec. 31, 2012	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Import of Goods and Service (\$)	22109	13	22109	12
Interest Payable (\$)	538595	324	342195	181
Loans Payable (\$)	5231250	3144	5231250	2866

iii) Bank Balances in foreign Currency

	As at March 31, 2014		As at Dec. 31, 2012	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Bank Balance (USD)	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

@denotes amount less than Rs. 50,000

#### Note 42 : Loans and Advances to Subsidiary and Companies Under the Same Management

Particulars	Maximum Outstanding during		Balance as at March 31, 2014 (Rs. in Lacs)	Balance as at Dec. 31, 2014 (Rs. in Lacs)
	2013-14 (Rs. in Lacs)	2011-12 (Rs. in Lacs)		
K S SDN BHD, Malaysia	1511	2584	1407	1211
<b>Total</b>	<b>1511</b>	<b>2584</b>	<b>1407</b>	<b>1211</b>

#### Note 43 : Government Grants:

a) Non Monetary (Rs. In Lacs)		
Particulars	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Depreciation on the assets funded by Government Grant	7	9
Income recognized from Government Grants	7	9
b) Monetary (Rs. In Lacs)		
Particulars	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Income recognized from Government Grants	199	351

#### Note 44: Auditors Remuneration

(Rs. In Lacs)

Particulars	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Audit Fees (including Limited Review and Consolidation fees)	8	71
Certification Work	-	10
Reimbursement of Expenses	@	@
Service Tax on the Fees and Certification	1	9

@denotes amount less than Rs. 50,000

#### Note 45 : Segment Disclosure

Since the financial report contain both Consolidated and Standalone financial statements, segment reporting disclosures is provided in notes to Consolidated Financial Statements.

**Note 46: Employee Benefits Plans****i) Defined Contribution Plan** (Rs. In Lacs)

Particulars	For the year ended March 31, 2014	For the year ended Dec. 31, 2012
(1) Provident Fund	44	84
(2) State defined contribution plans		
- Employers' Contribution to Employees' State Insurance	7	16
<b>Total</b>	<b>51</b>	<b>100</b>

**ii) Defined Benefit Plan:**

- Gratuity (Funded)
- Leave Encashment (Non funded)

In terms of the guidance on implementing the revised AS 15, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Gratuity trust set up by the Company is treated as defined benefit plan since the Company has to meet the shortfall, if any. However, at the year end, no shortfall remains unprovided for.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the Company's policy.

Valuations in respect of Gratuity and Leave encashment, as at the Balance Sheet date, based on the following assumptions:

**- The disclosures of Gratuity are as under:**

Particular	For the year ended March 31, 2014	For the year ended Dec. 31, 2012
(Rs. In Lacs)		
<b>1. Assumptions</b>		
Discount Rate	9%	8%
Salary Escalation	5%	5%
<b>2. Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of period	85	126
Interest cost	9	15
Current service cost	12	27
Benefits paid	15	7
Actuarial (gain)/loss on obligations	(4)	(76)
Present value of obligations as at end of period	87	85
<b>3. Table showing changes in the fair value of plan assets</b>		
Fair value plan assets at beginning of period	151	140
Expected return on plan assets	15	17
Contributions	11	10
Benefits paid	15	7
Actuarial (gain)/loss on obligations	@	(9)
Fair value of plan assets at the end of period	162	151
<b>4. Table showing fair value of plan assets</b>		
Fair value plan assets at beginning		

of period	151	140
Actual return on plan assets	15	17
Contributions	11	10
Benefits paid	15	(7)
Fair value of plan assets at the end of period	162	151
Funded status	75	66
Excess of actual over estimated return on plan assets	Nil	Nil

**5. Actuarial Gain/Loss recognized**

Actuarial gain/(loss) for the period –Obligations	4	76
Actuarial (gain)/loss for the period –plan assets	@	(9)
Total (gain)/loss for the period	(5)	(85)
Actuarial (gain)/loss recognized in the period	(5)	(85)

**6. The amounts to be recognized in the balance sheet and statements of profit and loss**

Present value of obligations as at the end of period	87	85
Fair value of plan assets as at the end of the period	162	151
Funded status	75	66
Net assets (liability) recognized in balance sheet	75	66

**7. Expenses recognized in statement of profit and loss**

Current service cost	12	28
Interest cost	9	15
Expected return on plan assets	(15)	(17)
Net actuarial (gain)/loss recognized in the period	(4)	(67)
Expenses recognized in statement of profit and loss	2	(42)

**-Valuation of liability for Leave encashment has been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:**

Particular	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
(Rs. In Lacs)		
Discount Rate (Per annum)	9%	8%
Rate of increase in Compensation levels	5%	5%
Rate of Return on Plan Assets	Nil	Nil
Expected Avg. remaining lives of employees in no. of periods	21	21
<b>1. Changes in present Value of Obligation</b>		
Present value of Obligation as at beginning of the period	28	46

Interest Cost	3	6
Past Service Cost	0	0
Current Service Cost	3	6
Contributions by Plan participants	0	0
Curtailment Cost/(Credit)	0	0
Settlement Cost/(Credit)	0	0
Benefits Paid	7	0
Actuarial (Gains)/Loss	(12)	(29)
Present value of Obligation as at the end of the period	16	28

## 2. Amounts recognized in the Balance Sheet

Present Value of Obligation as at the end of the period	16	28
Fair value of Plan Assets as at the end of the period	NA	NA
(Asset)/ Liability recognized in the Balance Sheet	16	28

## 3. Expenses recognized in the Profit and Loss Account

Current Service Cost	3	6
Past Service Cost	0	0
Interest Cost	3	6
Expected Return on Plan Assets	0	0
Curtailment Cost/(Credit)	0	0
Settlement Cost/(Credit)	0	0
Net Actuarial(Gain)/Loss	(12)	(29)
Employees' Contribution	0	0
Total Expenses recognized in Statement of Profit and Loss	(6)	(18)

## Amount of Current and Previous four years as follow (Rs. In Lacs)

	March 31,2014	Dec 31,2012	June 30,2011	Mar 31,2010	Mar 31,2009
Gratuity					

Defined Benefit Obligation	87	85	126	109	49
Plan Assets	162	151	140	129	91
Surplus or Deficit	(75)	(66)	(14)	(20)	(42)

Experience adjustment in Plan Liability

Experience adjustment in Plan Assets

## Note 47 : Related Party Disclosures

a) Transactions with Related Parties as specified under Accounting Standard-18

<b>Subsidiary</b>	K.S. Natural Resources Pte Ltd., Singapore
<b>Fellow Subsidiaries</b>	K. S.Oils SDN.BHD, Malaysia K.S.Agri Resources Pte Ltd., Singapore PT Buana Mega Sentosa Plantation, Indonesia PT Mega Artha Peresada, Indonesia PT Biodiesel Jambi, Indonesia PT Tunas Bersusun Abadi, Indonesia PT Luvang Urip, Indonesia
<b>Enterprises over which Key Managerial Personnel exercises significant influence</b>	K.S.Food Products K.S Enterprises Ramesh Chand Sourabh Kumar HUF Sourabh Garg HUF Neill Education Pvt. Ltd. KS Oils Ltd. Group Gratuity Scheme Garg Family Trust
<b>Key Managerial Personnel on the Board</b>	
Mr. Ramesh Chand Garg	Chairman and Managing Director
Mr. Davesh Agarwal	Whole time Director
<b>Relatives of Key Managerial Personnel</b>	
Mr. Sourabh Garg	Son of CMD
Mrs. Sheela Devi Garg	Spouse of the CMD
Mrs. Meeta Garg	Spouse of Son (Mr. Sourabh Garg)
Mr. Shyam Kumar Garg	Brother of CMD
Mr.Om Prakash Garg	Brother of CMD
Mr.Mohan Lal Garg	Brother of CMD

## b) Particulars of Related Party Transactions

Particulars	Volume of transaction during the period ended March 31, 2014	Volume of transaction during the period ended December 31, 2012	As at March 31, 2014 O/S Receivable	As at Dec. 31 2012 O/S Receivable	As at March 31 2014 O/S Payable	As at Dec. 31 2012 O/S Payable
<b>Loan Received/(Given Back)</b>						
<b>Subsidiaries</b>						
K.S. Oils SDN. BHD, Malaysia	@	(992)	1407	1211		
<b>Total</b>	@	(992)	1407	1211		
<b>Loan Received/(Given Back)</b>						
<b>Key Management Personnel</b>						
Ramesh Chand Garg	(6757)	5000			-	2640
<b>Total</b>	(6757)	5000			-	2640
<b>Investment</b>						
K.S Natural Resources Pte. Ltd, Singapore	-	290	22012	22012		

<b>Total</b>	-	<b>290</b>	<b>22012</b>	<b>22012</b>		
<b>Interest Income From Subsidiary</b>						
K.S. Oils SDN. BHD, Malaysia	187	354	156	181		
<b>Total</b>	<b>187</b>	<b>354</b>	<b>156</b>	<b>181</b>		
<b>Amount due to subsidiaries</b>						
K.S Natural Resources Pte. Ltd, Singapore	-	5	3	3		
<b>Total</b>	<b>-</b>	<b>5</b>	<b>3</b>	<b>3</b>		
<b>Remuneration*</b>						
<b>Key Management Personnel</b>						
Mr. Ramesh Chand Garg	30	36		26	3	
Mr. Sanjay Agarwal	-	3		-	-	-
Mr. Sourabh Garg	-	5		2	-	
Mr. Davesh Agarwal	29	24		-	13	3
<b>Total</b>	<b>59</b>	<b>68</b>		<b>28</b>	<b>16</b>	<b>3</b>
<b>Dividend</b>						
<b>Key Management Personnel</b>						
Mr. Ramesh Chand Garg	-	-	-	-	108	108
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108</b>	<b>108</b>
<b>Relative of Key Management Personnel</b>						
Mrs. Meeta Garg	-	-			38	38
Mrs. Sheela Devi Garg	-	-			50	50
Mr. Sourabh Garg	-	-	-	-	26	26
<b>Total</b>	<b>-</b>	<b>-</b>			<b>115</b>	<b>115</b>
<b>Other Related Parties</b>						
Ramesh Chand Sourabh Kumar HUF	-	-			30	30
Sourabh Garg HUF	-	-			5	5
<b>Total</b>	<b>-</b>	<b>-</b>			<b>35</b>	<b>35</b>
<b>Rent Paid</b>						
<b>Key Management Personnel</b>						
Mr. Ramesh Chand Garg	14	31			43	30
<b>Relative of Key Management Personnel</b>						
Mrs. Sheela Devi Garg	-	-			-	4
<b>Total</b>	<b>14</b>	<b>31</b>			<b>43</b>	<b>34</b>
<b>Other Related Parties</b>						
K. S. Enterprises	1	12			-	11
K. S. Food Products	1	12			-	14
Garg Family Trust	25	30			-	14
<b>Total</b>	<b>28</b>	<b>54</b>			<b>0</b>	<b>39</b>
<b>Reimbursement of Expenses</b>						
<b>Other Related Parties</b>						
Neil Education P. Ltd.	-	13			-	-
<b>Total</b>	<b>-</b>	<b>13</b>			<b>-</b>	<b>-</b>
<b>Security Deposit Given</b>						
<b>Key Management Personnel</b>						
Mr. Ramesh Chand Garg	-	20	-	4		

Contribution for Gratuity					
KS Oils Ltd. Group Gratuity Scheme	12	10			

\*@denotes amount less than Rs. 50,000.

\* Excluding contribution to gratuity fund and provision for leave encashment as separate figure cannot be quantified

Entire Loan Outstanding as on balance sheet date is secured by Personal Guarantee from Mr. Ramesh Chandra Garag and Mr. Sourabh Garg to all the lenders

#### Note 48 : Operating Lease

(Rs. In Lacs)

Future minimum lease payments under non-cancelable operating leases are as under:

	As at March 31, 2014	As at Dec. 31, 2012
Rent payable for 1 year	33	64
Rent payable for 1 to 5 years	3	105
Rent payable for 5 years and above	0	28

**Note:** Rental cost is annually escalated between seven and twenty percentage. Annual escalation for every transaction is considered from the effective date of rent agreement. Except in case of some agreement where the escalation is effective after the execution of the rent agreement.

On expiration of the above stated lease agreements, the same can be renewed on the basis of mutual consent of the lessor and lessee.

Additional amount of service tax will be paid on the above stated lease rental amount according to the rates applicable at the time of respective lease rental payments.

Total lease rental cost recognized in the financial statement is of Rs 112 Lacs (previous period Rs. 250 Lacs).

#### Note 49: Earning Per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The numbers of shares in computing basic earnings per share is the weighted average numbers of shares outstanding during the period. The numbers of shares used in computing diluted earnings per share comprises weighted averages shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of outstanding shares). Statement showing the computation of EPS is as under:

	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Loss after tax	(151039)	(137203)
Less: Preference Dividend	325	63
Less: Dividend Distribution Tax	55	11
Less: Interest on Dividend	14	40
Less : Interest on Dividend Distribution Tax	7	22
<b>Loss Available for Equity Share Holders</b>	<b>(151439)</b>	<b>(137338)</b>
Weighted average number of equity shares for Basic/Diluted EPS (no. of shares in Lacs)	4592	4418

Basic/Diluted earnings per share (in rupees)	(32.98)	(31.09)
Face value of share (in rupees)	1	1

#### Note 50: Discontinuing Operation as per AS-24

Pursuant to the note 32 (a) & (b), The Company proposes to sell whole or part of the Edible Oil Assets & Windmill Energy Assets of the Company to a buyer identify in accordance with the sale process to be undertaken by State Bank of India (acting on behalf of lenders) to repay the outstanding debt including interest of the Company. The sale of the above assets are subject to approval of shareholders u/s 293 (1) (a) of the Companies Act, 1956 through postal Ballot.

In order to above, an ordinary resolution has been passed by the shareholders of the Company u/s 293 (1)(a) on dated 7th September, 2013 through postal ballot.

(A) In accordance with the disclosure requirement of Accounting Standard - 24 "Discontinuing Operations", following disclosures are made as under for windmill Assets:

- Company had several windmills in the various states of the country through which it generates power.
- Operations of windmill activity are shown as a part of Business Segment in accordance with the requirement of AS - 17 "Segment Reporting".
- Assets related Windmill Energy Business is required to be sold off on priority basis.
- Carrying amount of fixed assets is shown under note no- 11 "Fixed assets" and for assets and liabilities refer note no. 43 "Segment reporting" under consolidated financial statement.
- Revenue and Expenditure in respect to ordinary activities attributable to Windmill Energy Business are shown in note no. 43 "Segment reporting" under consolidated financial Statement.

B) In accordance with the disclosure requirement of Accounting Standard - 24 "Discontinuing Operations", following disclosures are made as under for Edible Oil Business:

- Company has five manufacturing units in the various states of the country through which it manufacture edible oil.
- Operations of Edible Oil activity are shown as a part of Business Segment in accordance with the requirement of AS - 17 "Segment Reporting".
- Assets related Edible oil Business is required to be sold off on priority basis.
- Carrying amount of fixed assets is shown under note no- 11 "Fixed assets" and for assets and liabilities refer note no. 43 "Segment reporting" under consolidated financial statement.
- Revenue and Expenditure in respect to ordinary activities attributable to Edible Oil Business are shown in note no. 43 "Segment reporting" under consolidated financial Statement.



**Note 51: Value of Raw Material, Stores and Spares Consumed**

	For the period ended on March 31, 2014		For the period ended on December 31, 2012	
	Consumption (in Lacs)	% of Total Consumption	Consumption (in Lacs)	% of Total Consumption
<b>1) Value of Raw Material Consumed</b>				
Total Consumption	106124	100	309983	100
Imported	5156	5	21073	7
Indigenous	100968	95	288910	93
<b>2) Value of Stores and Spares Consumed</b>				
Total Consumption	69	100	238	100
Imported	0	0	0	0
Indigenous	69	100	238	100

**Note 52: Particulars of Raw Material Consumption, Production, Sale and Stock**

Description	Unit	For the period ended as on March 31, 2014		For the period ended as on December 31, 2012	
		Qty	Value in Rs. (lacs)	Qty	Value in Rs. (lacs)
<b>Opening Stock</b>					
Oil	M.T.	41464	22351	76129	38159
DOC	M.T.	16100	3322	15847	2285
Vanaspati Ghee	M.T.	652	348	382	167
By Product/Packing Material/ Trading Goods			1096		2497
<b>Production</b>					
Oil	M.T.	23405		252345	
DOC	M.T.	106992		314073	
Vanaspati Ghee	M.T.	405		3271	
Power	KWH	124521579		200910809	
<b>Cost of Material Consumed</b>					
Mustard Seed	M.T.	7764	2895	482184	139594
Soya been Seed	M.T.	43352	13784	289634	74776
Sunflower Seed	M.T.			1020	300
Oil	M.T.	4213	2661	73140	50639
DOC	M.T.	42	8	601	104
Vanaspati Ghee	M.T.	0	0	0	
Mahua Seed	M.T.	0	0	1442	366
Crude Oil for Refinery	M.T.	22756	7796	109017	32179
Crude Oil for Vanaspati	M.T.	426	49	2562	-24
Tin Plate	M.T.	176	108	580	333
Oil Cake	M.T.	75703	12704	74918	4004
Packing Material/Other Expenses			66074		7428
HDPE			43		284
			<b>106124</b>		<b>309983</b>
<b>Sale</b>					
Oil	M.T.	57960	30075	360149	230716
DOC	M.T.	119112	24430	314421	57060
Vanaspati Ghee	M.T.	951	496	3001	1701

Power	KWH	117403181	3864	187670759	6051
By Product/Packing Material/ Trading Goods			41117		85982
<b>Closing Stock</b>					
Oil	M.T.	11122	6065	41464	22351
DOC	M.T.	4022	582	16100	3322
Vanaspati Ghee	M.T.	107	62	652	348
By Product/Packing Material/Trading Goods			432		

**Note 53: CIF/CFR Value of Imports**

(Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec.31, 2012
Raw Materials/ Traded Goods	-	-
Stores & Spares	-	-
Capital goods	-	-

**Note 54: Earnings in Foreign Currency**

(Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec.31, 2012
On export of goods calculated on FOB basis	-	91
Interest on loan to subsidiaries	187	354

**Note 55: Expenditure in Foreign Currency**

(Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec.31, 2012
Interest	143	165
Professional fees	15	4
Others	0	7

**Note 56: Dividend to NRI / OCB**

(Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec.31, 2012
Dividend	5	24
Number of Shareholders	991	1144
Total Number of Shares (In No.)	85115504	84537969

**Note 55 : Comparatives Figures**

- 1) The current financial statements is prepared for fifteen months period ended March 31, 2014, hence figures for the same are not comparable with that of previous financial statements, which was prepared for the eighteen months period ended December 31, 2012.

As per our report of even date  
For **LADHA G.D. & CO.**  
Chartered Accountants  
Firm Registration No. 010962C

For and on behalf of Board of Directors  
**K.S OILS LIMITED**

**Nitin Pahariya**  
Partner  
M. No. 409770  
Place: New Delhi  
Date: August 1, 2015

**Ramesh Chand Garg**  
Managing Director

**Davesh Agarwal**  
Executive Director & CFO

**Sandeep Kumar**  
Company Secretary  
Place: New Delhi

## Auditor's Report

**TO**  
**THE MEMBERS OF K.S.OILS LIMITED**  
**JIWAJI GANJ, MORENA (M.P.)**

### Report on Financial Statements

We have audited the accompanying consolidated financial statement of K.S.OILS LIMITED ("the company") which comprise consolidated balance sheet as at 31st March 2014 and the consolidated Statement of Profit & Loss and the cash flow statement for the fifteen month of the period 01 January 2013 to 31 March 2014 and a summary of significant policies and other explanatory information.

### Management's Responsibility for the financial Statements

Management is responsible for the preparation of these consolidated financial statements that give true & fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards referred to in subsection (3C) of section 211 of the companies Act 1956(" the act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with standards on Auditing issued by the institute of chartered accountants of India except **with regard to the matters discussed below where we have not been able to perform the audit in conformity with the relevant auditing standard on account of unavailability of adequate documents/information.** Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from 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 consider internal control relevant to the company's preparation and presentation of the financial statement that give a true and fair view in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statement.

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

### Basis for qualified opinion

1. As regards trade receivables, inventory, costs, production margin and sales price of goods sold, we state that:

- a) The company has made provision for bad and doubtful debts for Rs. 87987 Lacs (Previous year 52173) on the basis of the report of the Independent Chartered Accountant appointed by the lead bank dated 28th March, 2014 and management evaluation.

*In the absence of confirmation of balances trade receivable as on 31.03.2014, provision to be made if any for adverse variation in the carrying amount of these balances are not quantified.*

- b) Position of inventory is as per report of Independent Chartered Accountant appointed by the lead bank /management as more details in note no.35. As explained in the note, we could not observe inventory count as required under SA 501(Revised) 'Audit evidence Specific Consideration for selected Items'.

- c) Attention is invited to Note 34 on the explanation of the management with regard to abnormal variations/fluctuations in costs, production margin and sales price. We are unable to comment on these, being a technical matter.
2. In the absence of details of testing for impairment of certain assets viz. Production plants which were not operational/fully operational during the period, we are unable to state whether provision, if any, is required to be made in this regard.
3. Out of transactions of purchase and sales (including consignment sales) of goods selected on a sample basis; in some cases, full supporting documents were not been made available for our verification.
4. Loan and Advances include advances aggregating Rs. 31422 Lacs given to some of the suppliers which include advances Rs.15745 Lacs outstanding for more than a year. Relevant documents and confirmations of balances are yet to be obtained.
5. Company has taken an average rate (for goods for trading and manufacturing) to determine the value of cost of goods. Consequently, the result of such trading transactions and the closing inventory of such goods have not been disclosed separately. This is also not in conformity with the requirement of Revised Schedule VI.
6. The company had been served demand notice under section U/s 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of security Interest Act, 2002 on dated 26th Dec.2013 for Wind Energy Business and 4th March 2014 for Edible Oil Business for payment of Outstanding principal amount including interest etc. within 60 days from the date of notice.
- As stated in the Note no.32, pending quantification of interest payable, penalty, other financial charges, the ultimate liability for financial charges and related impact on reported loss is not quantifiable for the period.*
7. The consolidated financial statements of company has been prepared on a going concern assumption, though the company has incurred a net loss of Rs. 1, 50,486 Lacs during the fifteen months period ended March 31, 2014 and it's net worth has eroded totally, CDR of the company has been called off and it has been served SARFAESI Notices by bankers & financial institutions for payment of loans. This situation indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in normal course of business. The Company's ability to continue as a going concern is dependent upon the factors mentioned in Note 36.
8. We did not audit the consolidated financial statement of subsidiary whose financial statements reflect total assets of Rs.18679 Lacs as at March 2014, total revenue of Rs.557 Lacs and cash inflow of Rs. 94 Lacs for the period then ended. These financial statements and other financial information are as compiled and prepared by the management and our opinion is based on this management prepared financial statement.
9. Attention is invited to the following Notes forming part of the financial statements:
- a) Note no. 29 With regard to certain contingent liabilities, whose impact is not ascertainable.
- b) Note no. 30 with regard order of settlement passed in the favour of company the Appeal of Income Tax department is pending before M.P. High court Gwalior.
- c) Note no.37 (a) & (b) With regard to manner of utilization of fund raised through preferential allotment of equity shares in previous year.
- d) Note no. 38 With regard to the declared dividend Balance of Rs.350 Lacs (including Rs.260 Lacs due to promoters) has

not been transferred to separate bank account.

- e) Note no. 32(c) & (d) With regard to Subsequent events occurring after consolidated balance sheet date the company has sold 82 windmills of 67.2 MW for Rs. 176.84 Cr

**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 1 to 8 above, and the resulting effects of all these on the relevant assets, liabilities and the loss* for the period which are not quantifiable the consolidated 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 Consolidated balance sheet of the State of affairs of the Company as at **31st March 2014**.

(ii) In the case of the Consolidated Profit & Loss Account, of the 'LOSS' for the year ended on that date.

(iii) In the case of the Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

**For Ladha G. D. & Co.**  
Chartered Accountants  
Firm Registration number: 010962C

New Delhi  
Dated: 1<sup>st</sup> August, 2015

**Nitin Pahariya**  
Partner  
Membership number: 409770

**K. S. OILS LIMITED**  
**Consolidated Balance Sheet as at March 31, 2014**

(Rs. in Lacs)

	Note No.	As at March 31, 2014	As at December 30, 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	1	30580	30580
Reserves and Surplus	2	(169693)	(21014)
Minority Interest		114	207
		<b>(138999)</b>	<b>9773</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	3	170371	129192
Deferred Tax Liabilities (Net)	4	11436	11407
Other Long Term Liabilities	5	52	59
Long Term Provisions	6	15	28
		<b>181874</b>	<b>140686</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	113595	107261
Trade Payables	8	16843	21344
Other Current Liabilities	9	14995	51005
Short Term Provisions	10	2	58
		<b>145435</b>	<b>179670</b>
<b>Total</b>		<b>188310</b>	<b>330128</b>
<b>II ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
- Tangible Assets	11	102416	107739
- Intangible Assets	11	-	-
- Capital Work In Progress		2624	2624
- Immature Plantation		8666	7915
		<b>113706</b>	<b>118278</b>
Long Term Loans and Advances	12	1577	7340
Other Non Current Assets	13	31	335
		<b>1608</b>	<b>7674</b>
<b>Current Assets</b>			
Inventories	14	14741	103613
Trade Receivables	15	20204	76972
Cash and Bank Balances	16	2018	2673
Short Term Loans and Advances	17	32288	16036
Other Current Assets	18	3745	4882
		<b>72996</b>	<b>204176</b>
<b>Total</b>		<b>188310</b>	<b>330128</b>

Significant Accounting Policies and other notes

28 to 55

As per our report of even date  
For **LADHA G.D. & CO.**  
Chartered Accountants  
Firm Registration No. 010962C

For and on behalf of Board of Directors  
**K.S OILS LIMITED**

**Nitin Pahariya**  
Partner  
M. No. 409770  
Place: New Delhi  
Date: August 1, 2015

**Ramesh Chand Garg**  
Managing Director

**Davesh Agarwal**  
Executive Director & CFO

**Sandeep Kumar**  
Company Secretary  
Place: New Delhi

**K. S. OILS LIMITED****Consolidated Statement of Profit and Loss for the Period Ended on March 31, 2014**

(Rs. in Lacs)

	Note No.	For the period ended on March 31, 2014	For the period ended on Dec 31, 2012
Revenue from Operations	19	101539	383051
Less : Excise Duty		98	236
Revenue from Operations (Net)		101441	382815
Other Income	20	972	711
<b>Total Revenue</b>		<b>102413</b>	<b>383526</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	47025	309983
Purchase of Stock in Trade	21	59099	56324
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	22	19976	13406
Employee Benefit Expenses	23	1619	3380
Finance Costs	24	18042	44167
Depreciation and Amortization Expenses	25	7644	9651
Administrative and Other Expenses	26	8921	21290
<b>Total Expenses</b>		<b>162326</b>	<b>458201</b>
Loss before exceptional items and tax		<b>(59913)</b>	<b>(74674)</b>
Exceptional Items	27	91229	58510
<b>Loss before tax</b>		<b>(151142)</b>	<b>(133185)</b>
<b>Tax Expense</b>			
Tax Related to previous years		(685)	184
Mat Credit Reversal		-	-
Deferred Tax	4	29	1213
<b>Loss for the period</b>		<b>(150486)</b>	<b>(134581)</b>
Minority interest		(111)	(216)
<b>Net Loss for the period</b>		<b>(150374)</b>	<b>(134364)</b>
<b>Earnings Per Equity Share</b>			
Basic/Diluted (F.V. of Rs. 1 each)	47	(32.83)	(30.44)

Significant Accounting Policies and other notes

28 to 55

As per our report of even date  
For **LADHA G.D. & CO.**  
Chartered Accountants  
Firm Registration No. 010962C

For and on behalf of Board of Directors  
**K.S OILS LIMITED**

**Nitin Pahariya**  
Partner  
M. No. 409770  
Place: New Delhi  
Date: August 1, 2015

**Ramesh Chand Garg**  
Managing Director

**Davesh Agarwal**  
Executive Director & CFO

**Sandeep Kumar**  
Company Secretary  
Place: New Delhi

**K. S. OILS LIMITED**  
**Consolidated Cash Flow Statement for the period ended March 31, 2014**

(Rs. in Lacs)

Particulars	2013-14	2011-12
<b>Cash Flow from Operating Activities</b>		
Net (Loss)/Profit for the Period/Year Before Tax	(151141)	(133184)
Share Issue Expenses W/o	-	(319)
Consolidated Goodwill W/o	-	399
Depreciation	7644	9651
Interest Received	(462)	(505)
Interest Cost	17062	43260
Depreciation on Government Grant	(7)	(9)
Provision for Doubtful Debts	91204	51943
Unrealised Exchange Rate Fluctuation	280	526
(Profit)/Loss on Sale of Fixed Assets	(35)	255
Taxes Paid	(123)	(784)
Impact of FCTR	1997	2634
<b>Adjustments</b>		
Decrease/(Increase) in Inventory	88872	67993
Decrease/(Increase) in Trade Receivable	(31266)	(32964)
(Decrease)/Increase in Trade Payable and Provisions	(40556)	(7580)
Decrease/(Increase) in Other Receivables & Loans & Advances	(12922)	(2282)
<b>Net Cash Flow from Operating Activities :: [A]</b>	<b>(29453)</b>	<b>(966)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of the Fixed Assets	(2138)	(1464)
Sale of Fixed Assets	504	285
Decrease in Capital WIP	-	1052
(Increase)/Decrease in FD with Schedule Banks	921	8085
Interest Received	462	505
Immature Plantation	(752)	(1707)
<b>Net Cash Flow from Investing Activities :: [B]</b>	<b>(1003)</b>	<b>6755</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issuance of Shares	-	28437
Proceeds from Borrowings (other than Term Loans)	6334	(52479)
Proceeds from Term Loans	41458	61263
Dividend Paid	(17)	(5)
Interest Paid	(17062)	(43260)
(Increase)/Decrease in unclaimed dividend account	7	13
<b>Net Cash Flow from Financing Activities :: [C]</b>	<b>30720</b>	<b>(6031)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents: [A+B+C]</b>	<b>264</b>	<b>(242)</b>
Opening Balance of Cash and Cash Equivalents	493	735
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>757</b>	<b>493</b>
<b>Notes:</b>		
<b>Cash and Cash Equivalent Includes :-</b>		
Cash in Hand	225	138
Balance with scheduled Banks		
In Current Accounts	532	355
	<b>757</b>	<b>493</b>

As per our report of even date  
For **LADHA G.D. & CO.**  
Chartered Accountants  
Firm Registration No. 010962C

For and on behalf of Board of Directors  
**K.S OILS LIMITED**

**Nitin Pahariya**  
Partner  
M. No. 409770  
Place: New Delhi  
Date: August 1, 2015

**Ramesh Chand Garg**  
Managing Director

**Davesh Agarwal**  
Executive Director & CFO

**Sandeep Kumar**  
Company Secretary  
Place: New Delhi

**K. S. OILS LIMITED**  
Notes referred to in the Balance Sheet are as follows:

**Note 1 : Share Capital**

(Rs. in Lacs)

	As at March 31, 2014	As at Dec. 31, 2012
<b>Authorized Capital</b>		
90,00,00,000 (Dec 31, 2012 : 90,00,00,000) Equity shares of Rs 1/-Each	9000	9000
29,85,00,000 (Dec 31, 2012 : 29,85,00,000) 1% Cumulative Redeemable Preference Share of Rs. 10/- each	29850	29850
<b>Issued, Subscribed and Paid Up Capital</b>		
45,91,80,037 (Dec. 31, 2012 : 45,91,80,037) Equity shares of Rs 1/- each, fully paid up	4592	4592
25,98,82,735 (Dec. 31, 2012: 25,98,82,735) 1% Cumulative Redeemable Preference Share @ Rs 10/- each fully paid up and issued against conversion of Loan.	25988	25988
<b>Total</b>	<b>30580</b>	<b>30580</b>

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

	As at March 31, 2014	As at Dec. 31, 2012
<b>Equity Shares</b>		
No. of Equity Shares at the beginning of reporting period	459180037	425412755
Add: Shares issued during the year	-	33767282
Less: Buy Back during the year	-	-
<b>No. of Equity Shares at the end of the reporting period</b>	<b>459180037</b>	<b>459180037</b>

**(b) Reconciliation of the number of Preference Shares outstanding at the beginning and at the end of the reporting period:**

	As at March 31, 2014	As at Dec. 31, 2012
<b>Preference Shares</b>		
No. of preference Shares at the beginning of reporting period	259882735	-
Add: Shares issued during the period	-	259882735
Less: Redeemed during the period	-	-
<b>No. of Preference Shares at the end of the reporting period</b>	<b>259882735</b>	<b>259,882,735</b>

**(c) List of the Equity Shareholders holding more than five percent of shares in the company as at the Balance Sheet date: (in Holding Company)**

	As at March 31, 2014		As at Dec. 31, 2012	
	No. of Shares	in %	No. of Shares	in %
Baring Private Equity Asia III Mauritius Holding(3) Limited	35704070	7.78	35704070	7.78
NSR Direct Pe Mauritius LLC	40330926	8.78	40330926	8.78
Abhi Ambi Financial Services Ltd	39330183	8.57	-	-

**(d) List of the Preference Shareholders holding more than five percent of shares in the company as at the Balance Sheet date: (in Holding Company)**

	As at March 31, 2014		As at Dec. 31, 2012	
	No. of Shares	in %	No. of Shares	in %
State Bank of India	65702735	25.28	65702735	25.28
Axis Bank Limited	55310000	21.28	55310000	21.28
Central Bank of India	26620000	10.24	26620000	10.24
Andhra Bank	21880000	8.42	21880000	8.42
Jammu and Kashmir Bank Limited	20000000	7.70	20000000	7.70
IDBI Bank Limited	18770000	7.22	18770000	7.22
State Bank of Mysore	18000000	6.93	18000000	6.93



**(e) Preferential Issue of Equity Shares**

In order to meet the fund requirement of the Company for working capital and general corporate purposes, the Company came out with the preferential issue of equity shares the Qualified Institutional Buyers (QIB) through Qualified Institutional Placement during the period at an issue price calculated under SEBI (ICDR) Regulation, 2009 on preferential basis duly approved by the Board of Directors and the Shareholders.

On April 09, 2012 the Company has allotted 33,767,282 Equity Shares of Rs. 1/- each at a premium of Rs. 6.25 to the QIB's and raised Rs. 2448.13 lacs.

The entire proceeds received towards the QIP issue have been utilized by the company for the purpose of working capital requirement.

**(f) Terms / rights attached to Equity Shares:**

- 1 The Company has a single class of equity shares having a par value of Rs. 1/- per share
- 2 Each holder of equity share is entitled to one vote per share.
- 3 The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.
- 4 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

**(h) Terms of Issue of 1% Cumulative Redeemable Preference Share (CRPS)**

- 1 The Company has issued 1% CRPS at face value of Rs. 10 each to the Lenders under the terms and conditions of CDR package.
- 2 The CRPS arising out of conversion of 20% of all term loans (except the Wind Mill Term Loan) aggregating to Rs. 2985 Lacs shall carry a dividend of 1% p.a. Dividend shall be payable at the end of each year from the date of allotment of the CRPS till the date of redemption.
- 3 The CRPS shall be redeemable after completion of 7 (seven) years from the date of allotment of the same i.e., in FY 2021 with a redemption premium of 64% on Face Value.
- 4 Payment of redemption premium is subject to the condition that the same being paid out of the cash available with the Company and is in excess of Rs. 7500 Lacs.

**Note 2 : Reserves and Surplus**

(Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Capital Reserve</b>		
Opening Balance	2449	2,449
Add: Capitalisation of Fixed Assets	3	-
<b>Closing Balance</b>	<b>2452</b>	<b>2449</b>
<b>Securities Premium Account</b>		
Opening Balance	88636	86845
Add: Premium received during the period	-	2111
Less: Share Issue Exp.	-	319
<b>Closing Balance</b>	<b>88636</b>	<b>88636</b>
<b>General Reserve</b>		
Opening Balance	-	6578
Less: Amount Transferred to surplus in Statement of Profit and Loss	-	6578
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**Foreign Currency Translation Reserve**

Opening Balance	4969	648
Add: Foreign Currency		
Gain/(Loss) during the period	1713	4320
<b>Closing Balance</b>	<b>6682</b>	<b>4969</b>

**Surplus (Balance in statement of Profit and Loss)**

Opening Balance	(117068)	10781
Add: Amount Transferred from General Reserve	-	6578
Less : Net Loss for the period	(150374)	(134364)
<b>Total Profit available for Appropriation</b>	<b>(267442)</b>	<b>(117006)</b>
Less: Interest on Dividend	(14)	(40)
Less: Interest on Dividend Distribution Tax	(7)	(22)
<b>Closing Balance</b>	<b>(267463)</b>	<b>(117068)</b>
<b>Total Reserve and Surplus</b>	<b>(169693)</b>	<b>(21014)</b>

**Note 3 : Long Term Borrowings**

(Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Term Loans (Secured)</b>		
- From Banks	160679	118755
- From other parties	9692	7796
<b>Term Loans (Unsecured)</b>		
- Loan From promoters	-	2640
<b>Total</b>	<b>170371</b>	<b>129192</b>

**Note 4 : Deferred Tax Liabilities (Net)**

(Rs. In Lacs)

Particular	As at March 31, 2014	As at Dec 31, 2012
<b>Deferred Tax Liabilities</b>		
Opening Deferred Tax Liabilities	11407	10272
Add: Difference between book WDV and WDV as per Income Tax Act, 1961	29	903
Less: Reversal of DTL	-	233
<b>Deferred tax liability (net)</b>	<b>11436</b>	<b>11407</b>

As a matter of prudence and in the absence of virtual certainty, the Company has not recognised Deferred Tax Assets of Rs. 23607 Lacs on unabsorbed depreciation/carry forward losses of Rs. 89452 Lacs.

**Note 5: Other Long Term Liabilities** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Deferred Government Grant	52	59
<b>Total</b>	<b>52</b>	<b>59</b>

**Note 6: Long Term Provisions** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Leave Encashment	15	28
<b>Total</b>	<b>15</b>	<b>28</b>

**Note 7 : Short Term Borrowings** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Working Capital Loans (Secured)</b>		
From Banks	103622	97289
<b>Short Term Corporate Loan (Secured)</b>		
From others	9973	9973
<b>Total</b>	<b>113595</b>	<b>107261</b>

**Note 8 : Trade Payables** (Rs. In Lacs)

Particular	As at March 31, 2014	As at Dec 31, 2012
Micro Small and Medium Enterprises	280	260
Other Trade Payables	16563	21084
<b>Total</b>	<b>16843</b>	<b>21344</b>

**(a) The Micro, Small and Medium Enterprises Development Act, 2006**

Company has send letter to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Act, 2006 as well as they have filed required memorandum with the prescribed authorities. Out of the letters send to the parties, some confirmations have been received till the date of finalization of Balance Sheet.

	As at March 31, 2014	As at Dec 31, 2012
The Principal amount and interest due thereon remaining unpaid to any supplier:		
Principal	261	134
Interest**	96	65

The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day

during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.

The amount of interest accrued and remaining unpaid at the end of each accounting year.

\*\* Total Interest payable to MSME parties for the FY 13-14 were Rs. 1,05,02,470/- out of which only Rs. 18,84,525/- have been provided during FY 13-14.

**Note 9 : Other Current Liabilities** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Current Maturities of Long Term Borrowings	0	36851
Interest Payable	6719	6146
Unclaimed Dividend Account	36	43
Unpaid Dividend	350	366
Dividend Distribution Tax	0	122
Security Deposit from Customers and Suppliers	5	5
<b>Other Payables</b>		
Outstanding Indirect Expenses	410	605
Advances From Customers	3943	2618
Overdrawn Bank Balance	3	20
Statutory Liabilities	1404	1867
Payable for Capital Goods	1373	1398
Other Payables	675	867
Interest on Dividend	71	58
Interest on Dividend Distribution Tax	0	33
Deferred Government Grant	6	6
<b>Total</b>	<b>14995</b>	<b>51005</b>

**Note 10: Short Term Provisions** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Provision for Employee Benefits	2	58
<b>Total</b>	<b>2</b>	<b>58</b>

## Note 11 : Fixed Assets and Depreciation Chart

(Rs. in Lacs)

Description of Assets	Gross Block					Depreciation/Amortisation					Net Block		
	As on 1.1.2013	Additional during the year	Sales during the year	Transfer	Exchange Translation	Total as on 31.3.2014	As on 1.1.2013	Additional during the year	Sales during the year	Transfer	Exchange Translation	Total as on 31.03.2014	As on 1.1.2013
Windmills	41849	0	0	0	0	41849	9646	2755	0	0	0	12400	29448
Land Freehold	1900	963	12	0	0	2851	0	0	0	0	0	0	2851
Land Leasehold	2329	574	0	0	55	2959	192	46	0	0	3	241	2717
Building	20380	299	59	0	0	20620	3093	865	22	0	0	3936	16685
Plant And Machinery	47410	276	283	0	-15	47389	11123	3213	146	0	-5	14185	33204
Electric Installation	9047	1	55	0	0	8993	2069	548	30	0	0	2587	6406
Vehicle	792	0	344	0	29	477	530	45	188	0	11	399	78
Furniture And Fixture	851	0	18	0	0	834	526	72	11	0	0	587	247
Office Equipment	1690	6	141	0	16	1571	1111	108	45	0	4	1178	393
Utilities	3387	0	0	0	0	3387	491	46	0	0	0	537	2849
Computer Software	218	1	0	0	0	219	218	1	0	0	0	219	0
Goodwill	101	0	0	0	0	101	101	0	0	0	0	101	0
Land Right	6750	0	0	0	656	7406	0	0	0	0	0	0	7406
Plantation & Infrastructure	326	15	0	0	-6	335	192	9	0	0	2	203	132
<b>Grand Total</b>	<b>137032</b>	<b>2134</b>	<b>912</b>	<b>0</b>	<b>735</b>	<b>138990</b>	<b>29293</b>	<b>7708*</b>	<b>443</b>	<b>0</b>	<b>15</b>	<b>36573</b>	<b>102416</b>
<b>Previous Period</b>	<b>134470</b>	<b>1467</b>	<b>770</b>	<b>0</b>	<b>1864</b>	<b>137032</b>	<b>19543</b>	<b>988**</b>	<b>206</b>	<b>0</b>	<b>73</b>	<b>29293</b>	<b>107739</b>

\*Debited to statement of Profit and Loss 7644

Capitalised in Immature plantation 64

**Total 7708**

\*\*Debited to statement of Profit and Loss 9651

Capitalised in Immature plantation 232

**Total 9883**

Note: Value of depreciable fixed assets of subsidiary companies which are depreciated on SLM basis is not significant hence though such assets are not depreciated in accordance with the depreciation policy of parent company, the impact on the financial statement of such differences in the value of depreciation will not be material.

## Lean Disclosure As on 31.03.14

Type of Loan	Name of Lender	Amount (In Lacs)	Rate of Interest	Nature of Security	Terms of Repayment
Wind Mill Term Loan	Bank 1 Bank 2 Bank 3 Bank 4	1810 3895 3999 7653	14.00% p.a. 14.75% p.a. 13.50% p.a. 13.00% p.a.	An exclusive mortgage and charge over all the Wind Mill Assets of the Company	The entire Outstanding principal along with interest etc. has been called off by the Lenders by issuing SARFESAI Notice on dated 26th Dec. 2013
	Bank 5	3144	LIBOR+2.58 BPS		Default in repayment
Edible oil Term Loan	Bank 6 Bank 1 Bank 7 Bank 8 Bank 3	5850 10231 4718 7044 5611	13.25% p.a. 13.25% p.a. 13.15 % p.a. 13.25 % p.a. 13.5 % p.a.	a) A first pari passu charge over the entire fixed assets (both present and future) of the Company by way of an equitable mortgage, excluding the Wind Mill Assets and Haldia Unit Assets. b) A second pari passu charge over the Haldia Unit Assets, (both present and future) by way of an equitable mortgage. c) A second pari passu charge over the entire current assets of the Company.	The entire Outstanding principal along with interest etc. has been called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Haldia Unit Term Loan	Bank 4 Bank 9	2086 2340	13.00 % p.a. 18.75 % p.a.	A first mortgage and charge over the entire Haldia Unit Assets	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Working Capital Term Loan	Bank 3 Bank 1 Bank 10 Bank 9 Bank 2 Bank 11 Bank 4	15744 9024 8069 650 7723 2622 6528	13.5 % p.a. 13.25 % p.a. 13.00 % p.a. 18.75 % p.a. 17.25 % p.a. 13.25 % p.a. 13.00 % p.a.	a) A first pari passu charge over the entire Current assets of the Company b) A second pari passu charge over the entire fixed assets (both present and future) by way of an equitable mortgage including Haldiya Unit Assets but excluding Wind Mill Assets.	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Other Secured Term Loan	Bank 12	2768	12.7 % p.a.	a) A second pari passu charge over the entire fixed assets (both present and future) by way of an equitable mortgage excluding Haldiya Unit Assets and Wind Mill Assets. b) A second pari passu charge over the entire Current assets of the Company	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
	Body Corporate 1	9692	10.75%	a) First pari passu charge on the entire fixed assets of the Company (Both present & Future) (Other than Wind Mill Assets and	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on

				Haldiya Plant Assets), with minimum 1.5 time security cover during the loan term	dated 4th March 2014.
	Body	9973	36.00%	a) First pari passu charge on the entire fixed assets of the Company (Both present & Future) (Other than Wind Mill Assets and Haldiya Plant Assets) b) Subservient charge on Wind Turbines with aggregate capacity of 78 MW	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Cash Credit	Bank 10 Bank 3 Bank 9 Bank 1 Bank 2 Bank 11	11765 42826 9483 12183 15665 11700	13.00% p.a. 13.26% p.a. 10.00 % p.a. 13.75 % p.a. 20.86 % p.a. 13.25 % p.a.	a) A first pari passu charge over the entire current assets of the Company. (b) A second ranking pari passu charge over the entire fixed assets (both present and future) of the Company by way of an equitable mortgage, including the Haldia Unit Assets but excluding the Wind Mill Assets.	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Funded Interest	Bank 3 Bank 1 Bank 6 Bank 7 Bank 8 Bank 4 Bank 9 Bank 10 Bank 2 Bank 11 Bank 12	10066 5159 935 563 1083 3040 2486 2764 4354 2078 295	13.5% p.a. 13.25% p.a. 13.25 % p.a. 13.15 % p.a. 13.25 % p.a. 13.00 % p.a. 18.75 % p.a. 13.00 % p.a. 17.25 % p.a. 13.25 % p.a. 12.7 % p.a.	(A) For Wind Mill Lenders (a) A first ranking mortgage and charge over the Wind Mill Assets of the Company. (B) For other than Wind Mill Lenders (i) Other than Bank of India (a) A first pari passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than Wind Mill Assets and Haldia Unit Assets. (b) A second pari passu charge over the Haldia Unit Assets, (both present and future) by way of an equitable mortgage. (ii) For Bank of India (a) A second pari passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than Wind Mill Assets and Haldia Unit Assets. (iii) For all Lenders (a) A second pari passu charge over the entire current assets of the Company	The entire Outstanding principal alongwith interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
Application Money: 1% Compulsorily Convertible	Bank 3 Bank 1	4928 4148	13.5 % p.a. 13.25 % p.a.	(i) Other than Bank of India (a) A first pari-passu charge	The entire Outstanding principal alongwith

Debentures (CCD's)	Bank 6	1349	13.25 % p.a.	on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than the Wind Mill Assets and the Haldia Unit Assets. (ii) For Bank of India (a) A second pari-passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, excluding the Wind Mill Assets and the Haldia Unit Assets.	interest etc. has been Called off by the Lenders by issuing SARFESAI Notice on dated 4th March 2014.
	Bank 8	1516	13.25 % p.a.		
	Bank 4	1996	13.00 % p.a.		
	Bank 9	695	18.75 % p.a.		
	Bank 2	1713	17.25 % p.a.		

**Common Security for all the Borrowings (Other than CCD's)**

- (A) Personal Guarantee from each promoter to all the lenders
- (B) Pledge of 100% Promoters shareholding in the Company, free of all encumbrances, including additional shares acquired by the Promoters on infusion of equity in the Company (If any)
- (C) Pledge of 100% of the following investments held by the Borrower, free of all encumbrances,

Name of the Company	No. of Equity/Preference Shares	
	As at March 31, 2014	As at Dec 31, 2012
1) KS Natural Resources Pte. Ltd	65679859	65679859
2) KS Oils Sdn. Bhd. (Malaysia)	566300	566300
3) PT Buana Mega Sentosa Plantation (Indonesia)	54600	54600
4) KS Agri Resources Pte. Ltd. (Singapore)	23815576	23815576
5) PT Mega Artha Peresada (Indonesia)	4500	4500
6) PT Biodiesel Jambi (Indonesia)	48600	48600
7) PT Tunas Bersusun Abadi (Indonesia)	47520	47520
8) PT Luvang Urip (Indonesia)	3800	3800

## Loan Disclosure As on 31.12.12

Type of Loan	Name of Lender	Amount (In Lacs)	Rate of Interest	Nature of Security	Terms of Repayment	Amount of Default (Principal)	Amount of Default (Interest)	Period of Default
Wind Mill Term Loan	Bank 1	1734	10.75% p.a.	An exclusive mortgage and charge over all the Wind Mill Assets of the Company	The entire principal outstanding is repayable on or before June 30, 2013 Default in Payment	NIL	NIL	
	Bank 2	3220				NIL	NIL	
	Bank 3	4036				NIL	NIL	
	Bank 4	7779				NIL	NIL	
	Bank 5	2866	LIBOR+ 2.58 Basis Points			1611.55	181.48	June 2011 to Dec 31, 2012
Edible Oil Term Loan	Bank 6	5903	10.75% p.a.	a) A first pari passu charge over the entire fixed assets (both present and future) of the Company by way of an equitable mortgage, excluding the Wind Mill Assets and Haldia Unit Assets. b) A second pari passu charge over the Haldia Unit Assets, (both present and future) by way of an equitable mortgage. c) A second pari passu charge over the entire current assets of the Company.	7.18% of the principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installments up to June 30, 2021	NIL	NIL	
	Bank 1	9798				NIL	NIL	
	Bank 7	3280				NIL	NIL	
	Bank 8	6500				NIL	NIL	
	Bank 3	5662				NIL	NIL	
Haldia Unit Term Loan	Bank 4	2048	10.75% p.a.	A first mortgage and charge over the entire Haldia Unit Assets	7.18% of the principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installments up to June 30, 2021	NIL	NIL	
	Bank 9	2340				NIL	NIL	
Working Capital Term Loan	Bank 3	15888	10.75% p.a.	a) A first pari passu charge over the entire Current assets of the Company b) A second pari passu charge over the entire fixed assets (both present and future) by way of an equitable mortgage including Haldiya Unit Assets but excluding Wind Mill Assets.	7.18% of the principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installments up to June 30, 2021	NIL	NIL	
	Bank 1	8341				NIL	NIL	
	Bank 10	7109				NIL	NIL	
	Bank 9	650				NIL	NIL	
	Bank 2	6157				NIL	NIL	
	Bank 11	2049				NIL	NIL	
	Bank 4	6587				NIL	NIL	
Other Secured Term Loans	Bank 12	2018	10.75% p.a.	a) A second pari passu charge over the entire fixed assets (both present and future) by way of an equitable mortgage excluding Haldiya Unit Assets and Wind Mill Assets. b) A second pari passu charge over the entire Current assets of the Company	7.18% of the principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installments up to June 30, 2021	NIL	NIL	
	Body Corporate 1	9692	13.00% p.a.	a) First pari passu charge on the entire fixed assets of the Company (Both present & Future) (Other than Wind Mill Assets and Haldiya Plant Assets), with minimum 1.5 time security cover during the loan term	Default in Payment	3166.00	1632.79	Feb. 11 to Dec. 12
	Body Corporate 2	9973	14.00% p.a.	a) First pari passu	Default in Payment	9973.00	2033.76	July 11 to

				charge on the entire fixed assets of the Company (Both present & Future) (Other than Wind Mill Assets and Haldiya Plant Assets) b) Subservient charge on Wind Turbines with aggregate capacity of 78 MW				Dec. 12
Cash Credit	Bank 10 Bank 3 Bank 9 Bank 1 Bank 2 Bank 11	8700 43218 9082 11867 12614 11807	10.75% p.a.	a) A first pari passu charge over the entire current assets of the Company. (b) A second ranking pari passu charge over the entire fixed assets (both present and future) of the Company by way of an equitable mortgage, including the Haldia Unit Assets but excluding the Wind Mill Assets.	N. A.	NIL NIL NIL NIL NIL NIL	NIL NIL NIL NIL NIL NIL	
Funded Interest Term Loan-II	Bank 3 Bank 1 Bank 6 Bank 7 Bank 8 Bank 4 Bank 9 Bank 10 Bank 2 Bank 11 Bank 12	9491 5065 895 502 1062 3071 1856 2462 3505 1972 293	6.00% p.a.	(A) For Wind Mill Lenders (a) A first ranking mortgage and charge over the Wind Mill Assets of the Company. (B) For other than Wind Mill Lenders (i) Other than Bank of India (a) A first pari passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than Wind Mill Assets and Haldia Unit Assets. (b) A second pari passu charge over the Haldia Unit Assets, (both present and future) by way of an equitable mortgage (ii) For Bank of India (a) A second pari passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, other than Wind Mill Assets and Haldia Unit Assets. (iii) For all Lenders (a) A second pari passu charge over the entire current assets of the Company.	(A) For Wind Mill Leaders (a) The entire amount is repayable on or before June 30, 2013. (B) For other than Wind Mill Leaders 9.58% of Principal amount is repayable by June 30, 2013 and balance in 32 equal quarterly installment up to June 30, 2011	NIL NIL NIL NIL NIL NIL NIL NIL NIL NIL NIL	47.94 49.91 8.67 4.90 9.78 25.22 NIL 22.34 33.77 19.15 2.66	Dec. 12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12 Nov. 12-Dec.12
Application Money: 1% Compulsorily Convertible Debentures (CCD's)	Bank 3 Bank 1 Bank 6 Bank 7 Bank 8 Bank 4	4928 4148 1355 750 1503 2014	1% p.a.	(i) Other than Bank of India (a) A first pari-passu charge on the entire fixed assets (both present and future)	The CCDs are compulsorily convertible into equity at the end of 18 months from the date of allotment at a SEBI determined price.	NIL NIL NIL NIL NIL NIL	4.11 6.93 6.75 5.63 2.50 3.33	Dec-12 Nov. 12-Dec. 12 July. 12-Dec. 12 April 12-Dec. 12 Nov. 12-Dec. 12 Nov. 12-Dec. 12



	Bank 9	695		of the Company, by way of an equitable mortgage, other than the Wind Mill Assets and the Haldia Unit Assets.		NIL	1.15	Nov. 12-Dec. 12
	Bank 10	1641				NIL	15.04	Feb. 12-Mar. 12
	Bank 2	1410				NIL	2.35	Nov. 12-Dec. 12
	Bank 11	630				NIL	9.45	Nov. 12-Dec. 12
	Bank 12	500				NIL	3.75	April 12-Dec. 12
				(ii) For Bank of India (a) A second pari-passu charge on the entire fixed assets (both present and future) of the Company, by way of an equitable mortgage, excluding the Wind Mill Assets and the Haldia Unit Assets.				

#### Common Security for all the Borrowings (Other than CCD's)

- (A) Personal Guarantee from each promoter to all the lenders
- (B) Pledge of 100% Promoters shareholding in the Company, free of all encumbrances, including additional shares acquired by the Promoters on infusion of equity in the Company (If any)
- (C) Pledge of 100% of the following investments held by the Borrower, free of all encumbrances,

Name of the Company	No. of Equity/Preference Shares	
	As at December 31, 2012	As at June 30, 2011
1) KS Natural Resources Pte. Ltd	65679859	-
2) KS Oils Sdn. Bhd. (Malaysia)	566300	-
3) PT Buana Mega Sentosa Plantation (Indonesia)	54600	-
4) KS Agri Resources Pte. Ltd. (Singapore)	23815576	-
5) PT Mega Artha Peresada (Indonesia)	4500	-
6) PT Biodiesel Jambi (Indonesia)	48600	-
7) PT Tunas Bersusun Abadi (Indonesia)	47520	-
8) PT Luvang Urip (Indonesia)	3800	-

#### Note 12 : Long Term Loans and Advances (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Capital Advances</b>		
Unsecured, Considered -Good	379	5343
-Doubtful	3290	-
Less : Provision for doubtful Advances	3290	-
<b>(A)</b>	<b>379</b>	<b>5343</b>
<b>Security Deposits</b>		
Unsecured, Considered- Good	481	456
-Doubtful	1	1
Less : Provision for doubtful Advances	1	1
<b>(B)</b>	<b>481</b>	<b>456</b>
<b>Loans and Advance to Staff</b>		
Unsecured, Considered-Good	31	55
-Doubtful	6	-
Less: Provision for doubtful Advances	6	-
<b>(C)</b>	<b>31</b>	<b>55</b>
<b>Others</b>		
Other Advance	0	864
Advance Tax (Advance Tax of Rs 8469 Lacs netted off with Provision for Tax of Rs 7847 Lacs)	686	622
<b>(D)</b>	<b>686</b>	<b>1486</b>
<b>Total (A+B+C+D)</b>	<b>1577</b>	<b>7340</b>

#### Note 13 : Other Non Current Assets (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Sales Tax Refund Receivables	29	324
Fixed Deposits		
(More than 12 Months maturity)	2	11
<b>Total</b>	<b>31</b>	<b>335</b>

#### Note 14 : Inventories (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Raw Materials		
(net off value of obsolete stock)	6559	75377
Finished Goods		
(net off value of obsolete stock)	6709	26020
Packing Materials	362	741
Stores and Spares	1041	1119
By Product	70	356
<b>Total</b>	<b>14741</b>	<b>103613</b>

**Note 15 : Trade Receivables** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Exceeding Six Months from the date they become payable</b>		
Unsecured considered - Good	16970	17172
-Doubtful	139579	47458
Less: Provision for doubtful debts	139579	47458
<b>(A)</b>	<b>16970</b>	<b>17172</b>
<b>Less than Six Months from the date they become payable</b>		
Unsecured considered -Good	3234	59801
-Doubtful	0	4,087
Less: Provision for doubtful debts	0	4,087
<b>(B)</b>	<b>3234</b>	<b>59801</b>
<b>Total (A+B)</b>	<b>20204</b>	<b>76972</b>

**Note 16 : Cash and Bank Balances** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Cash and Cash Equivalents</b>		
Cash on Hand	225	138
<b>Other Bank Balances</b>		
Balances with Banks	532	355
Fixed Deposits (More than 12 Months maturity)	1225	2137
Unclaimed Dividend	36	43
<b>Total</b>	<b>2018</b>	<b>2673</b>

**(a) Fixed Deposit under Lien** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Fixed deposits under lien with bank for Bank Guarantees, Letter of Credit & Others.	13	13

**Note 17: Short Term Loans and Advances** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
<b>Advances recoverable in cash or kind</b>		
Advances to Suppliers -Good	30725	13670
-Doubtful	697	697
Less: Provision for doubtful Advances	697	697
	<b>30725</b>	<b>13670</b>
Prepaid Expenses	525	1510
Advance to Staff	59	80
Advance for Expenses or others	189	271
<b>(A)</b>	<b>31498</b>	<b>15532</b>
<b>Balance with Revenue Authorities</b>		
VAT Credit Receivable	756	469
Excise and Service tax Refundable	34	35
<b>(B)</b>	<b>790</b>	<b>505</b>
<b>Total (A+B)</b>	<b>32288</b>	<b>16036</b>

**Note 18: Other Current Assets** (Rs. In Lacs)

	As at March 31, 2014	As at Dec 31, 2012
Windmills Income and Claim Receivables	314	383
Less : Provision for Doubtful Claims	165	238
	<b>149</b>	<b>145</b>
Export Benefit Receivables	8	43
Insurance Claim Receivables	195	175
Interest Refundable/Receivables	38	849
Misc Current Assets	98	6
Sales Tax Refund Receivables	3257	3665
<b>Total</b>	<b>3745</b>	<b>4882</b>

Notes referred to in the Statement of Profit and Loss are as follows:

**Note 19: Revenue from Operations** (Rs. In Lacs)

Particulars	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
Domestic Sales (Including highseas sales)	98457	358250
Export Sales	94	557
Sales against 'H' form	2086	23660
Other Operating Revenues	902	584
<b>Sub-Total</b>	<b>101539</b>	<b>383051</b>
Less : Excise Duty	98	236
<b>Total</b>	<b>101441</b>	<b>382815</b>

**Note 20 : Other Income** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
Interest Income	462	505
Profit on sale of Fixed Asset	76	8
Misc Income	435	198
<b>Total</b>	<b>973</b>	<b>711</b>

**Note 21: Cost of Materials Consumed** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
<b>Raw Materials</b>		
Opening Stock	75377	127156
Add: Purchase during the period	37306	318279
Less: Closing Stock	6559	75377
	<b>106124</b>	<b>370058</b>
Less: Cost of goods traded	59099	56324
Less: Diminution in value of Stock (refer note no 27)	0	3752
<b>Net cost of material consumed</b>	<b>47025</b>	<b>309983</b>

**Note 22: Changes in inventories of Finished Goods, Work in Progress and Stock in Trade** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
<b>Opening Stock</b>		
Finished Goods	26020	40611
By Products	356	519
Packing Material	741	1978
<b>(A)</b>	<b>27117</b>	<b>43108</b>
<b>Closing Stock</b>		
Finished Goods	6709	26020
By Product	70	356
Packing Material	362	741
<b>(B)</b>	<b>7141</b>	<b>27117</b>
<b>(Increase) / Decrease in Inventory (A-B)</b>	<b>19976</b>	<b>15991</b>
Less: Diminution in value of Stock (refer note no 27)	-	2585
<b>(Increase) / Decrease in Inventory</b>	<b>19976</b>	<b>13406</b>

**Note 23 : Employee Benefit Expenses** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
Salaries and Wages	1455	3058
Contributions to Provident and Other Funds	53	107
Staff Welfare Expenses	111	214
<b>Total</b>	<b>1619</b>	<b>3380</b>

**Note 24 : Finance Costs** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
Interest Expense	17062	43260
Interest on income tax	524	32
Other Borrowing Costs	0	20
Bank Charges	176	328
Foreign Currency Transaction Loss	280	526
<b>Total</b>	<b>18042</b>	<b>44167</b>

**Note 25 : Depreciation and Amortization Expenses** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
Depreciation on Fixed Assets	7644	9651
<b>Total</b>	<b>7644</b>	<b>9651</b>

**Note 26 : Administrative and Other Expenses** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
Consumption of Stores and Spare Parts	72	248
Power and Fuel	1936	4447
Labour Charges	328	523
Other Manufacturing Expenses	580	1002
Rent	280	1191
Repairs to Buildings	16	50
Repairs to Machinery	85	255
Insurance	144	306
Windmills Expenses	1029	1121
Windmills Claims written off	41	377
Agriculture Expenses	13	71
Provision For Doubtful debts	-	907
Rates and Taxes, excluding Taxes on Income	295	427
Transport Loading and Unloading Charges	853	2424
Packing Expenses	10	59
Advertisement and Sales Promotion Expenses	196	357
Legal and Professional Fees	427	1505
Other Repairs	70	150
Wealth Tax	1	1
Charity and Donation	2	3
Travelling & Conveyance	217	466
Audit Fees	23	90
Misc Expenditure	1509	4640
Job Work Charges (Prior Period)	753	0
Loss on sale of Fixed Asset	41	271
Goodwill Writtenoff	0	399
<b>Total</b>	<b>8921</b>	<b>21290</b>

**Note 27 : Exceptional Items** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec. 31, 2012
Provision For Bad and Doubtful debts and Loans and Advances	91229	52173
Value of obsolete stock written off (Raw Material and Finished Goods)	-	6336
<b>Total</b>	<b>91229</b>	<b>58510</b>

A) Provisions for doubtful debts aggregating to Rs. 47414 Lacs pertains to the sales of the current period (Previous Year : Dec 31, 2012 Rs. 35741 lacs), which is also a part of an exceptional item.

**Note 28 : Significant Accounting Policies****28.1 The consolidated financial statements relate to K S Oils Limited ('the Company') and its subsidiaries jointly referred as ('the Group') have been prepared on the following basis:**

- (i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- (ii) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as goodwill or capital reserve as the case may be.
- (iii) Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (iv) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of

the Company's shareholders.

- (v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as holding Company separate financial statements, to the extent possible, except as provided under para 28.11 (vi) and 28.12 (f).
- (vi) The financial of subsidiaries have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRS ("INT FRS") and the companies Act, Cap 50. The financial statements are prepared under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.
- (vii) In the current period, Subsidiaries have adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2011. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's and company's accounting policies and has no material effect on the amount reported for the current and prior year.

**28.2 The subsidiaries considered in the Consolidated Financial Statement are:**

Name of Subsidiary Companies	Countries of Incorporation	Status	Proportion of Ownership Interest/Voting Power Directly or through Subsidiaries (%)	Proportion of Ownership Interest/Voting Power Directly or through Subsidiaries (%)
			(As on 31 March 2014)	(As on 31 Dec. 2012)
KS Natural Resources PTE.LTD. (From 23rd November, 2007)	Singapore	Subsidiary of KS Oils Ltd.	100	100
KS Oils SDN. BHD. (From 31st March, 2009)	Malaysia	Subsidiary of KS Natural Resources PTE.LTD.	70	70
KS Agri Resources PTE. LTD. (From 28th May, 2008)	Singapore	Subsidiary of KS Natural Resources PTE.LTD.	100	100
PT BuanaMegaSentosa Plantation (From 22nd November, 2008)	Indonesia	Subsidiary of KS Natural Resources PTE.LTD.	90	90
PT. Biodiesel Jambi (From 1st Jan, 2010)	Indonesia	Subsidiary of KS Natural Resources PTE. LTD.	90	90
PT. MegaArthaPersada (From 1st Jan, 2010)	Indonesia	Subsidiary of KS Natural Resources PTE. LTD.	90	90
PT. Tunas Bersusun Abadi (From 17th Nov 2009)	Indonesia	Subsidiary of KS Agri Resources PTE. LTD.	88	88
PT. Luvang Urip (From 11th Aug-2009)	Indonesia	Subsidiary of PT. Tunas Bersusun Abadi	95	95

### 28.3 Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which results are known / materialized. Any revision to an accounting estimate is recognized prospectively in the year of revision.

### 28.4 Revenue Recognition

- a) Revenue from sale of goods is recognized when significant risk and rewards in respect of ownership of products are transferred to customers.
- b) Export entitlements under the Duty Entitlement Pass Book ("DEPB") scheme and Other Schemes are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### 28.5 Inventories

- a) Inventories are valued at lower of cost or net realizable value on FIFO basis.
- b) Work in Progress is valued at lower of cost of Raw Material or Net Realizable Value.
- c) Inventories comprises of Raw Material, Stores, Spares & Consumables, Work In Progress and Finished Goods.
- d) Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

### 28.6 Agricultural Activity

- a) Biological Assets (Living plants of Mustard, Soya or Jatropha)
  - i. All costs related to biological assets are recognized as an expense, as and when they are incurred.
  - ii. Biological assets are recognized at net realizable value only when the future economic benefits associated with the assets will flow to the Company.
- b) Agricultural Produce (harvested product from biological asset) is recognized at net realizable value.

### 28.7 Commodity Hedging (Derivatives)

Pursuant to announcement on accounting for the derivatives issued by the Institute of Chartered Accountants of India (ICAI), in accordance with the principles of prudence as enunciated in Accounting Standard-1 (AS-1), "Disclosures of Accounting policies", the Company provide for losses in respect of all outstanding derivatives contract at the balance sheet date by marking them to mark to market. Any net unrealized gains arising on such Mark to Market are not recognized as income.

### 28.8 Certified Emission Reductions

- a) Self-generated certified emission reductions (C.E.R- also known as carbon credit) expected to accrue to the Company as a result of windmills are recognized as a part of inventory, when it is certified by United Nations Framework Convention on Climate Change (UNFCCC) and the future economic benefits associated with such CER's will flow to the Company.
- b) Incidental expenses are charged to profit and loss account.

### 28.9 Fixed Assets

#### a) Tangible Assets

- i. Tangible assets are carried at cost of acquisition or

construction less accumulated depreciation. The cost of fixed assets includes non refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of fixed assets which takes substantial period of time to get ready for their intended use is capitalized.

- ii. Advances paid towards the acquisition of the fixed assets outstanding at each balance sheet date shown under the head long term loans and advances.

#### b) Intangible Assets

Intangible Assets recorded at the consideration paid for the acquisition.

### 28.10 Immature Plantations

Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting fertilizing and maintenance, capitalization of borrowing costs incurred on loans used to finance the development of immature plantations and an allocation of other indirect cost based on planned hectares. When the plantations are mature, the accumulated costs are reclassified to mature plantations. In the opinion of the management and as per the industry practice followed in its country the plantation development expenditure is amortized over twenty one years, upon maturity of the first crop.

### 28.11 Depreciation/Amortization

#### a) Depreciation:

- i. Depreciation has been charged on SLM basis for:
  1. Windmills
  2. Plant assets (except for oil and refinery plant located at Morena)
- ii. For all other assets depreciation is provided on WDV basis.
- iii. Depreciation is provided at the rates and in the manner specified under schedule XIV of the Companies Act, 1956.
- iv. Depreciation is calculated on a pro-rata basis from the date of installation / acquisition till the date the assets are sold or disposed.
- v. Individual assets costing less than Rs 5,000/- are depreciated fully in the year of acquisition.
- vi. Excluding land rights and lease hold properties, depreciation on fixed assets of the subsidiary companies is provided on SLM basis over the estimated useful lives of the assets at rates permissible under the applicable local laws.

#### b) Amortization:

- i. Leasehold assets are amortized over the period of lease.
- ii. Intangible assets are amortized over their estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its use.
- iii. Goodwill arising in the course of acquisition is amortized over a period of five years.
- iv. Goodwill arising on Consolidation is tested for impairment.
- v. Computer software is fully amortized in the year of capitalization.

### 28.12 Foreign Currency Transactions

- a) Foreign exchange transactions are recorded at the closing rate prevailing on the date of the respective transactions. Exchange difference arising on foreign exchange

transactions settled during the year is recognized in the profit and loss account.

- b) Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate as on Balance Sheet date. The resultant exchange difference is recognized in the profit and loss account.
- c) Exchange rate differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the Company's financial statements until the disposal of the net investment.
- d) Non-monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.
- e) In respect of transactions covered by forward exchange contracts, the difference between the year-end closing rate and rate prevailing on the date of contract is recognized as exchange difference and the premium paid on forward contract is recognized over the life of the contract.
- f) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Inter Company transactions such as acquisition of shares of the subsidiaries or loans and advances etc. are taken at the actual rate of the transactions. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.

### 28.13 Operating Leases

Lease payments under operating leases have been recognized as an expense in the profit and loss account on a straight line basis over the lease term.

### 28.14 Employee Benefits

#### a) Short term Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in profit and loss account of the year in which the related service is rendered.

#### b) Post Employment Benefits

Contribution to Provident Fund and Gratuity Fund are charged against revenue. Gratuity liability is paid to the Life Insurance Corporation of India through a Trust created for the purpose under Group Gratuity Scheme. The Premium paid/payable is being charged to Profit and Loss Account on accrual basis.

#### c) Other Long Term Employees Benefits

Company's liability towards earned leave is determined by an independent actuary using Projected Unit Credit Method. Past services are recognized on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized immediately in the profit and loss account as income or expenses. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to the market yields at the balance sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

- d) In case of subsidiaries employee benefits including social security contributions have been provided in accordance with the laws of the country in which the Company is operating.

### 28.15 Investments

Long-term investments are carried at cost less any permanent diminution in value. Current investments are carried at the lower of cost or fair value.

### 28.16 Taxation

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the period.

#### a) Current Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

#### b) Minimum Alternate Tax [MAT]:

In case the Company is liable to pay income tax u/s 115JB of income tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit Entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each balance sheet date.

#### c) Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

### 28.17 Government Grant

#### a) Capital Grant

Government grant related to specific fixed assets which are depreciable are treated as deferred income which is recognized in the profit and loss statement on systematic and rational basis over the useful life of the respective asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

#### b) Revenue Grant

Revenue grant related to specific tax exemptions is recognized in the Profit and Loss Account on a systematic and rational basis in the year in which it accrues.

### 28.18 Borrowing Cost

Borrowing cost attributable to acquisition or construction of a qualifying asset is capitalized as part of the cost of asset up to the date such asset is ready for its intended use. Other borrowing costs are charged to profit and loss account in the year in which they are incurred.

### 28.19 Employee Stock Option

Employee Compensation Cost, if any, arising on account of option granted to employees is recognized in the financial statements. It is the difference between the intrinsic value and exercise price of options.

### 28.20 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belongs is

less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### 28.21 Provisions and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and reliable estimates can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed.

#### Note 29: Commitments and Contingent Liabilities (Rs. In Lacs)

	As at March 31, 2014	As at Dec. 31, 2012
a) Claims against the Company not acknowledged as debts in respect of		
i) Excise & custom duty matters under dispute <sup>1</sup>	52	52
ii) Commercial Taxes matter under dispute	7575	664
iii) Income Tax	0	6
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1653	1653
c) Bank Guarantee	143	147
d) Export Promotion against Capital Goods.	276	276
e) Other Commitment		
i) Preference Dividend	388	63
ii) Dividend Distribution Tax	66	11
iii) Premium payable on Redemption of Cumulative Redeemable Preference Shares in June 2021	16632	16632

- (f) There have been delays in filing of returns and documents with Regulatory Authorities and in some instances documents filed/required to be filed are not traceable with the Company. The liability, if any, in this regard is not ascertainable.
- (g) Matter in regard to dishonour of cheques issued by the Company during the financial period is pending. The liability, if any, in this regard is not ascertainable.
- (h) As regards cultivation & maintenance of Jatropha plantation by the Company, one of the conditions in FIPB approval has put restrictions on such activity. The liability if any is not ascertainable. The Company has undertaken such activity in financial year 2008-09 and as stated by the management the company has not extended it further and only maintaining the same.
- (i) In respect of remuneration of Rs. 96 lacs paid in financial year 2010-11 (fifteen months ended as on 30.06.11) which was in excess of ceiling prescribed under schedule XIII of the companies Act, 1956. The Company has not yet obtained approval of the central government, the liability if any is not ascertainable.

#### Note:

- 1 Amounts aggregating Rs. 209 Lacs and Rs. 126 Lacs are deposited

as appeal advance as on March 31, 2014 and Dec 31, 2012 respectively against Excise & Custom matters and Sales tax matters.

- 2 Payment of redemption premium @ 64% of preference share (face value of Rs. 10/- each) is subject to the condition that the same is being paid out from the cash balance is available with Company in excess of Rs. 7500 Lacs.

#### Note 30 : Search Operation

Search Operation was conducted by Income Tax Department on Company and promoters on March 11, 2010 and various documents and materials were seized by the Department during the search proceedings. The Company in order to have early resolution of matter preferred application before The Hon'ble Settlement Commission in previous year. The Hon'ble Settlement Commission, Mumbai Bench vide its order dated 24th June, 2013 has settled all the cases of the Company from FY 2003-04 to FY 2010-11. However Income tax department filed an appeal before hon'ble Bench of High court at Gwalior. The matter is still pending for consideration.

#### Note 31 : Corporate Debt Restructuring:

- a) The restructuring package was approved by CDR empowered group on 20th December, 2011. The Master Restructuring Agreement has also been signed with the lenders participating in the CDR package ('CDR Lenders') on 14th March, 2012.
- b) However the Company has not been able to service its repayment obligations as sanctioned under CDR scheme and have been made delays and defaults in repayment obligations. Such delays and defaults have consequential impact on the financial statements in terms of approved CDR Scheme and the CDR Scheme has been called off by the CDR Empowered Group in a meeting held in July 2013.
- c) Subsequent to above, the Group of Lenders have issued Demand notice U/s 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of security Interest Act, 2002 for calling of the entire loan amount including interest due thereon for Wind Energy Business and Edible Oil Business dated 26th Dec 2013 & 4th March 2014 respectively. By virtue of above notices, the Company has to repay the entire outstanding loan amount to the lenders within 60 days from the date of notice. However it could not be done.
- d) Subsequent to balance sheet date the Lenders have sold of 82 windmills of 67.2 MW out of total 92 windmills of 78 MW to different buyers between the periods from January 2015 to March 2015 through a separate bidding process for Rs 176.84 Cr. The sales proceed will be utilised for repayment of outstanding loan liability of windmill division. The Net book value of Sold windmills are Rs 266.71 Cr as on 31st March 2014.

#### Note 32: Interest on Borrowing and Finance Charges

The Company had been served demand notice under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 on dated 26th Dec, 2013 for Wind Energy Business and dated 4th March, 2014 for Edible Oil Business respectively for payment of outstanding principal amount including interest etc. The total amount payable as per notices aggregates to Rs. 3535.14 Cr as against Rs. 2886.10 Cr appearing in books of accounts. The difference of Rs 640.04 Cr. Due to Pending details such as overdue interest, penalties, damages, cost etc. as considered by lenders in SARFEASI notices, the Company is not able to quantify the Shortfall in interest and financial charges to be provided in addition to amount already charged by lenders in their statement during the accounting period ended 31st March, 2014.

#### Note 33: Agricultural Activity

During the Financial Year 2008-2009, Government of Madhya Pradesh has allotted a land admeasuring 2,000 hectares to the Company on a license basis for no consideration, for carrying out the agricultural activity for a period of two years; consequently this has not been recognized as a grant.

**Note 34: Variance in Cost and Sales Margin**

Though the quantity of production has changed as compared with those for the earlier periods, the change in relevant expenses is not in the same proportion. This was mainly on account of plant efficiency and cost control measures. Further, there have been fluctuations in average realization of sales price during this period. This was on account of market conditions and quality of goods.

**Note 35: Inventory Verification**

The Company extended its financial year to end on March 31, 2014 (i.e. covering fifteen months period) in November 2013 as per decision of the board of directors of the Company. The inventory verification was undertaken in the month of March'14 by an Independent Firm of Chartered Accountants appointed by lead Bank on tested basis who roll forwarded inventory as on 31st December, 2013. The discrepancy found by stock auditor has been duly delt with in the books of accounts. The management of the Company confirms that they have carried out physical verification of inventory as on 31st march 2014. However the statutory auditors couldnot carryout or associate for physical verification as they were appointed on 17th March 2015.

**Note 36: Going Concern**

During the financial period the Company has incurred loss of Rs 150486 Lacs and its net worth has been completely eroded. Paucity of adequate working capital has also affected the operations, resulting in partial running or closure of plants (for a limited period). Company is in the process of restructuring its business; hive off whole or part of core and non-core assets for reducing debt burden. Besides, CDR package has been called off by CDR empowered group; the Company is actively pursuing option of re-organization of existing business and/or enters into some strategic alliance or introduces any potential investor. This would enable the Company to tide over its continuing financial burden and ensure smoother running of its plants. To implement such strategy the Company and lenders consortium have appointed a reputed consultancy firm to look into the possible alternatives and suggest plan to be implemented for restructuring including sale of whole or part of Edible Oil and Windmill business, which is in progress. Under the circumstances, the financial statements have been prepared on Going Concern basis and in the opinion of the management no adjustments are considered necessary to the carrying value of its assets and liabilities.

**Note 37: Preferential issue of equity shares and warrants:****Note 40 : Derivatives****a) Derivative Instruments**

There are no yearend foreign currency exposure that have been hedged by derivative instrument

b) The yearend foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Amount receivable in foreign currency on account of the following:

	As at March 31, 2014		As at Dec. 31, 2012	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Export of Goods	Nil	Nil	Nil	Nil
Other Loan Receivables (MYR)	242700	45	242700	45

ii) Amount payable in foreign currency on account of the following:

	As at March 31, 2014		As at Dec. 31, 2012	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Import of Goods and Service (\$)	22109	13	22109	12
Interest Payable (\$)	538595	324	342195	181
Loans Payable (\$)	5231250	3144	5231250	2866

a) In order to meet the fund requirement of the Company for its (i) Expansion of refinery in India along with other allied expenditure (ii) Investment in its overseas subsidiaries for development of Greenfield palm plantations and acquisition of mature palm plantations and / or CPO mills, all in Indonesia, the Company has come out with preferential allotment of Equity Shares and Warrants to the promoters & other foreign Investors in July, 2009 at an issue price calculated under SEBI (DIP) Guidelines, 2000 on preferential basis duly approved by Shareholders and Board of Directors of the Company.

b) The entire proceeds received towards the warrants have been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries, except Rs.5065 Lacs. Such unutilized funds of preferential issue which were kept in FD's with the banks in previous periods, except for FD's aggregating Rs. 1227 lacs, balance amount of Rs 3838 lacs have been utilized for the working capital of the company instead of for expansion work in foreign business, which was the primary object of raising funds.

**Note 38: Non Transfer of Dividends:**

Company recommended dividend in FY2009-10 of Rs 858 lacs (Rs 0.18 per share) (inclusive of Dividend Distribution Tax of Rs 122 lacs). Out of the dividend so declared, an amount of Rs 350 lacs remains unpaid of which Rs 260 lacs is to be paid to promoters and balance members of the Company.

Due to severe liquidity crunch, the promoters opted to defer the receipt of their part of dividend till the liquidity improves. For the same reasons the company has not transferred un- paid dividend to a separate Bank account in terms of the requirement of Sec. 205- A of the Companies Act, 1956.

**Note 39: AGM and Results:**

The Company has extended accounting period to fifteen months ending on March 31, 2014. Pursuant to which, according to the Provision of Companies Act, the Company was required to hold an AGM within the three months from the close of financial year, however extension of the AGM was granted by the ROC for further three months vide letter dated 3rd January, 2014. But due to the most of the key personnel's have left the Company during the period and Auditors resignation on 13th February, 2015 the company was not able to get its accounts audited within the stipulated time and was unable to produce the financial statement in the AGM held on 30th September, 2014.



## iii) Bank Balances in foreign Currency

	As at March 31, 2014		As at Dec. 31, 2012	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Bank Balance (USD)	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

@denotes amount less than Rs. 50,000

**Note 41 : Government Grants:****a) Non Monetary**

(Rs. In Lacs)

Particulars	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Depreciation on the assets funded by Government Grant	7	9
Income recognized from Government Grants	7	9

**b) Monetary**

(Rs. In Lacs)

Particulars	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Income recognized from Government Grants	199	351

**Note 42: Auditors Remuneration**

(Rs. In Lacs)

Particulars	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Audit Fees (including Limited Review and Consolidation fees)	8	71
Certification Work	-	10
Reimbursement of Expenses	@	@
Service Tax on the Fees and Certification	1	9

@denotes amount less than Rs. 50,000

**Note 43 Segment Information**

In accordance with AS-17, Segment Revenue, Segment results and other information are as under:

Particulars	Edible Oil		Power		Others		Unallocable		Elimination		Total	
	2013-14	2011-12	2013-14	2011-12	2013-14	2011-12	2013-14	2011-12	2013-14	2011-12	2013-14	2011-12
	(Rs. in Lacs)											
Segment Revenue												
External Turnover	97118	340538	3864	6051	-	-	558	721	-	-	100982	347310
Inter Segment Turnover			336	617					(336)	(617)	-	-
Gross Turnover	97118	340538	4199	6668	-	-	558	721	(336)	(617)	101540	347310
Less: Excise duty	98	236									98	236
Net Turnover	97020	340302	4199	6668	-	-	558	721	(336)	(617)	101442	347074
Segment Result Before Interest and Taxes	(130624)	(84092)	402	1821	(16)	(2049)	(3964)	(5490)	(336)	(617)	(134538)	(90427)
Less: Interest Expenses							17096	43676	(34)	(415)	17062	43261
Add: Interest Income							648	923	(190)	(418)	459	505
Profit before tax	(130,624)	(84,092)	402	1,821	(16)	(2,049)	(20,411)	(48,243)			(151,141)	(133,183)
Current tax							(685)	184			(685)	184
Deferred tax							29	1,213			29	1213
Profit after tax	(130,624)	(84,092)	402	1,821	(16)	(2,049)	(19,755)	(49,640)	-	-	(150,485)	(134,580)
Other Information												
Segment Assets	139072	267662	30550	35527	7	11	42254	50731	(23574)	(23802)	188309	330128
Segment Liabilities	295195	281898	20646	20152	-	-	12878	19671	(1412)	(1365)	327308	320355
Capital Expenditure	0	401						-			0	401
Depreciation/ Amortization	4834	6205	2768	3337	3	7	39	102			7644	9651
Non cash expenses other than Depreciation							91229	22769			91229	22769
Goodwill on Consolidation												

@denotes amount less than Rs. 50,000

**Disclosures:****1. Primary Segment****a) Business Segment:**

Segment identified by the Company comprises as under:

- i. Edible oil: Extraction of seed, Refined oil, Vanaspati oil, Income from commodity hedging transaction (Derivatives), High sea sales and local trading.
- ii. Power Generation: Windmill.
- iii. Others: Agriculture income.

By products under each segment have been included under the respective segment.

**b) Segment Revenue & Expenses:**

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprises as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable".

**c) Segment Assets and Liabilities:**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**d) Inter segment Transfers:**

Segment revenue, segment Expenses and segment results include transfer between business segments, such transfers are eliminated in consolidation.

**e) Accounting Policies:**

The accounting policies consistently used in the Preparation of the financial statements are also applied to item of revenue and expenditure in individual segments

**2. Secondary Segment: Geographical Segment**

The following is the distribution of Company's sale by geographical market regardless of where the goods were produced:

(Rs. In Lacs)

	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
India	100790	100418
Rest of the World	652	1056
<b>Total</b>	<b>101442</b>	<b>101474</b>

**Note 44: Employee Benefits Plans****i) Defined Contribution Plan**

(Rs. In Lacs)

	For the year ended March 31, 2014	For the year ended Dec. 31, 2012
(1) Provident Fund	44	84
(2) State defined contribution plans		
- Employers' Contribution to Employees' State Insurance	7	16
<b>Total</b>	<b>51</b>	<b>100</b>

**ii) Defined Benefit Plan:**

- Gratuity (Funded)
- Leave Encashment (Non funded)

In terms of the guidance on implementing the revised AS 15, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Gratuity trust set up by the Company is treated as defined benefit plan since the Company has to meet the shortfall, if any. However,

at the year end, no shortfall remains unprovided for.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the Company's policy.

Valuations in respect of Gratuity and Leave encashment, as at the Balance Sheet date, based on the following assumptions:

**- The disclosures of Gratuity are as under:**

(Rs. In Lacs)

Particular	For the year ended March 31, 2014	For the year ended Dec. 31, 2012
<b>1. Assumptions</b>		
Discount Rate	9%	8%
Salary Escalation	5%	5%
<b>2. Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of period	85	126
Interest cost	9	15
Current service cost	12	27
Benefits paid	15	7
Actuarial (gain)/loss on obligations	(4)	(76)
Present value of obligations as at end of period	87	85
<b>3. Table showing changes in the fair value of plan assets</b>		
Fair value plan assets at beginning of period	151	140
Expected return on plan assets	15	17
Contributions	11	10
Benefits paid	15	7
Actuarial (gain)/loss on obligations	@	(9)
Fair value of plan assets at the end of period	162	151
<b>4. Table showing fair value of plan assets</b>		
Fair value plan assets at beginning of period	151	140
Actual return on plan assets	15	17
Contributions	11	10
Benefits paid	15	(7)
Fair value of plan assets at the end of period	162	151
Funded status	75	66
Excess of actual over estimated return on plan assets	Nil	Nil
<b>5. Actuarial Gain/Loss recognized</b>		
Actuarial gain/(loss) for the period –Obligations	4	76
Actuarial (gain)/loss for the period –plan assets	@	(9)
Total (gain)/loss for the period	(5)	(85)
Actuarial (gain)/loss recognized in the period	(5)	(85)

**6. The amounts to be recognized in the balance sheet and statements of profit and loss**

Present value of obligations as at the end of period	87	85
Fair value of plan assets as at the end of the period	162	151
Funded status	75	66
Net assets (liability) recognized in balance sheet	75	66

**7. Expenses recognized in statement of profit and loss**

Current service cost	12	28
Interest cost	9	15
Expected return on plan assets	(15)	(17)
Net actuarial (gain)/loss recognized in the period	(4)	(67)
Expenses recognized in statement of profit and loss	2	(42)

**-Valuation of liability for Leave encashment has been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:**

(Rs. In Lacs)

Particular	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Discount Rate (Per annum)	9%	8%
Rate of increase in Compensation levels	5%	5%
Rate of Return on Plan Assets	Nil	Nil
Expected Avg. remaining lives of employees in no. of periods	21	21

**1. Changes in present Value of Obligation**

Present value of Obligation as at beginning of the period	28	46
Interest Cost	3	6
Past Service Cost	0	0
Current Service Cost	3	6
Contributions by Plan participants	0	0
Curtailment Cost/(Credit)	0	0
Settlement Cost/(Credit)	0	0
Benefits Paid	7	0
Actuarial (Gains)/Loss	(12)	(29)
Present value of Obligation as at the end of the period	16	28

**2. Amounts recognized in the Balance Sheet**

Present Value of Obligation as at the end of the period	16	28
Fair value of Plan Assets as at the end of the period	NA	NA
(Asset)/ Liability recognized in the Balance Sheet	16	28

**3. Expenses recognized in the**
**Profit and Loss Account**

Current Service Cost	3	6
Past Service Cost	0	0
Interest Cost	3	6
Expected Return on Plan Assets	0	0
Curtailment Cost/(Credit)	0	0
Settlement Cost/(Credit)	0	0
Net Actuarial(Gain)/Loss	(12)	(29)
Employees' Contribution	0	0
Total Expenses recognized in Statement of Profit and Loss	(6)	(18)

**Amount of Current and Previous four years as follow**

(Rs. In Lacs)

	March 31,2014	Dec 31,2012	June 30,2011	Mar 31,2010	Mar 31,2009
<b>Gratuity</b>					
Defined Benefit Obligation	87	85	126	109	49
Plan Assets	162	151	140	129	91
Surplus or Deficit	(75)	(66)	(14)	(20)	(42)

Experience adjustment in Plan Liability

Experience adjustment in Plan Assets

**Note 45 : Related Party Disclosures**

a) Transactions with Related Parties as specified under Accounting Standard-18

<b>Enterprises over which Key Managerial Personnel exercises significant influence</b>	K.S. Food Products K.S Enterprises Ramesh Chand Sourabh Kumar HUF Sourabh Garg HUF Neill Education Pvt. Ltd. KS Oils Ltd. Group Gratuity Scheme Garg Family Trust
--	---

**Other Related parties with whom transactions have taken place during the year**
**Key Managerial Personnel on the Board**

Mr. Ramesh Chand Garg	Chairman and Managing Director
Mr. Davesh Agarwal	Whole time Director

**Relatives of Key Managerial Personnel**

Mrs. Sheela Devi Garg	Spouse of the CMD
Mr. Sourabh Garg	Son of CMD
Mrs. Meeta Garg	Spouse of Son (Mr. Sourabh Garg)
Mr. Shyam Kumar Garg	Brother of CMD
Mr. Om Prakash Garg	Brother of CMD
Mr. Mohan Lal Garg	Brother of CMD

**Other Related parties/ Affiliate Companies**

Mr. Rosaline Ukim	Director in Subsidiary
Mr. Shim Shuk Han	Director in Subsidiary
Mr. Tapan Baheti	Director in Subsidiary (Resigned w.e.f. July 2013)
Mr. Widodo Nurly Sumady	Director in Subsidiary
Mr. Sanjay Rathi	Director in Subsidiary (Resigned w.e.f. July 2013)
Mr. Baey Chang Song	Director in Subsidiary
Mr. Jeffrey Lachmandas Mahtani	Commissioner in Subsidiary

## b) Particulars of Related Party Transactions

Particulars	Volume of transaction during the period ended March 31, 2014	Volume of transaction during the period ended December 31, 2012	As at March 31, 2014 O/S Receivable	As at Dec. 31 2012 O/S Receivable	As at March 31 2014 O/S Payable	As at Dec. 31 2012 O/S Payable
<b>Loan Received/(Given Back)</b>						
<b>Key Management Personnel</b>						
Ramesh Chand Garg	(6757)	5000			-	2640
<b>Total</b>	<b>(6,757)</b>	<b>5000</b>			<b>-</b>	<b>2640</b>
<b>Remuneration*</b>						
<b>Key Management Personnel</b>						
Mr. Ramesh Chand Garg	30	36		26	3	
Mr. Sanjay Agarwal	-	3				-
Mr. Sourabh Garg	-	5		2		-
Mr. Davesb Agarwal	29	24			13	3
<b>Total</b>	<b>59</b>	<b>68</b>		<b>28</b>	<b>16</b>	<b>3</b>
<b>Other Related Parties</b>						
Mr. Jeffrey Lachmandas Mahtani	88	116				
Mr. Sandeep Kumar	-	28				
Mr. Tapan Baheti	5	49				
Mr. Widodo Nurly Sumady	-	29				
Mr. Achmad Luthfy	-	25				
Mr. Anthony John Hogg	-	88				
Mr. Sanjay Rathi	4	13				
Mr. Baey Chang Song	2	2				
Mr. Rosaline Ukim	2	1				
Mr. Shim Shuk Han	2	1				
<b>Total</b>	<b>103</b>	<b>351</b>				
<b>Dividend</b>						
<b>Key Management Personnel</b>						
Mr. Ramesh Chand Garg	-	-	-	-	108	108
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108</b>	<b>108</b>
<b>Relative of Key Management Personnel</b>						
Mrs. Meeta Garg	-	-	-	-	38	38
Mrs. Sheela Devi Garg	-	-	-	-	50	50
Mr. Sourabh Garg	-	-	-	-	26	26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>115</b>
<b>Other Related Parties</b>						
Ramesh Chand Sourabh Kumar HUF	-	-			30	30
Sourabh Garg HUF	-	-			5	5
<b>Total</b>	<b>-</b>	<b>-</b>			<b>35</b>	<b>35</b>
<b>Rent Paid</b>						
<b>Key Management Personnel</b>						

Mr. Ramesh Chand Garg	14	31			43	30
<b>Total</b>	<b>14</b>	<b>31</b>			<b>43</b>	<b>30</b>
<b>Relative of Key Management Personnel</b>						
Mrs. Sheela Devi Garg	-	-			-	4
<b>Total</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>4</b>
<b>Other Related Parties</b>						
K.S. Enterprises	1	12			-	11
K.S. Food Products	1	12			-	14
Garg Family Trust	25	30			-	14
<b>Total</b>	<b>28</b>	<b>54</b>			<b>-</b>	<b>39</b>
<b>Other Related Parties</b>						
Neil Education P. Ltd.	-	13				
<b>Total</b>	<b>-</b>	<b>13</b>				
<b>Security Deposit Given</b>						
<b>Key Management Personnel</b>						
Mr. Ramesh Chand Garg	-	20	-	4	-	-
<b>Contribution for Gratuity</b>						
KS Oils Ltd. Group Gratuity Scheme	12	10				

@denotes amount less than Rs. 50,000.

\* Excluding contribution to gratuity fund and provision for leave encashment as separate figure cannot be quantified

Entire Loan Outstanding as on balance sheet date is secured by Personal Guarantee from Mr. Ramesh Chandra Garag and Mr. Sourabh Garg to all the lenders

#### Note 46 : Operating Lease (Rs. In Lacs)

Future minimum lease payments under non-cancelable operating leases are as under:

	As at March 31, 2014	As at Dec. 31, 2012
Rent payable for 1 year	33	64
Rent payable for 1 to 5 years	3	105
Rent payable for 5 years and above	0	28

**Note:** Rental cost is annually escalated between seven and twenty percentage. Annual escalation for every transaction is considered from the effective date of rent agreement. Except in case of some agreement where the escalation is effective after the execution of the rent agreement.

On expiration of the above stated lease agreements, the same can be renewed on the basis of mutual consent of the lessor and lessee.

Additional amount of service tax will be paid on the above stated lease rental amount according to the rates applicable at the time of respective lease rental payments.

Total lease rental cost recognized in the financial statement is of Rs 112 Lacs (previous period Rs. 250 Lacs).

#### Note 47 : Earning Per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The numbers of shares in computing basic earnings per share is the weighted average numbers of shares outstanding during the period. The numbers of shares used in computing diluted earnings per share comprises weighted averages shares considered for deriving

basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of outstanding shares). Statement showing the computation of EPS is as under:

	For the period ended March 31, 2014	For the period ended Dec. 31, 2012
Loss after tax	(150374)	(134364)
Less: Preference Dividend	325	63
Less: Dividend Distribution Tax	55	11
Less: Interest on Dividend	14	40
Less : Interest on Dividend Distribution Tax	7	22
<b>Loss Available for Equity Share Holders</b>	<b>(150774)</b>	<b>(134500)</b>
Weighted average number of equity shares for Basic/Diluted EPS (no. of shares in Lacs)	4592	4418
Basic/Diluted earnings per share (in rupees)	(32.83)	(30.44)
Face value of share (in rupees)	1	1

#### Note 48 : Discontinuing Operation as per AS-24

Pursuant to the note 32 (a) & (b), The Company proposes to sell whole or

part of the Edible Oil Assets & Windmill Energy Assets of the Company to a buyer identify in accordance with the sale process to be undertaken by State Bank of India (acting on behalf of lenders) to repay the outstanding debt including interest of the Company. The sale of the above assets are subject to approval of shareholders u/s 293 (1)(a) of the Companies Act, 1956 through postal Ballot.

In order to above, an ordinary resolution has been passed by the shareholders of the Company u/s 293 (1)(a) on dated 7th September, 2013 through postal ballot.

A) In accordance with the disclosure requirement of Accounting Standard - 24 "Discontinuing Operations", following disclosures are made as under for windmill Assets:

a) Company had several windmills in the various states of the country through which it generates power.

b) Operations of windmill activity are shown as a part of Business Segment in accordance with the requirement of AS - 17 "Segment Reporting".

c) Assets related Windmill Energy Business is required to be sold off on priority basis.

d) Carrying amount of fixed assets is shown under note no- 11 "Fixed assets" and for assets and liabilities refer note no. 43 "Segment reporting" under consolidated financial statement.

e) Revenue and Expenditure in respect to ordinary activities attributable to Windmill Energy Business are shown in note no. 43 "Segment reporting" under consolidated financial Statement.

B) In accordance with the disclosure requirement of Accounting Standard - 24 "Discontinuing Operations", following disclosures are made as

#### Note 49 : Value of Raw Material, Stores and Spares Consumed

	For the period ended on March 31, 2014		For the period ended on December 31, 2012	
	Consumption (in Lacs)	% of Total Consumption	Consumption (in Lacs)	% of Total Consumption
<b>1) Value of Raw Material Consumed</b>				
Total Consumption	106124	100	309983	100
Imported	5156	5	21073	7
Indigenous	100968	95	288910	93
<b>2) Value of Stores and Spares Consumed</b>				
Total Consumption	69	100	238	100
Imported	0	0	0	0
Indigenous	69	100	238	100

#### Note 50 : Particulars of Raw Material Consumption, Production, Sale and Stock

Description	Unit	For the period ended as on March 31, 2014		For the period ended as on December 31, 2012	
		Qty	Value in Rs. (lacs)	Qty	Value in Rs. (lacs)
<b>Opening Stock</b>					
Oil	M.T.	41464	22351	76129	38159
DOC	M.T.	16100	3322	15847	2285
Vanaspati Ghee	M.T.	652	348	382	167
By Product/Packing Material/ Trading Goods			1096		2497
<b>Production</b>					
Oil	M.T.	23405		252345	
DOC	M.T.	106992		314073	
Vanaspati Ghee	M.T.	405		3271	
Power	KWH	124521579		200910809	
<b>Cost of Material Consumed</b>					
Mustard Seed	M.T.	7764	2895	482184	139594
Soya been Seed	M.T.	43352	13784	289634	74776
Sunflower Seed	M.T.			1020	300
Oil	M.T.	4213	2661	73140	50639
DOC	M.T.	42	8	601	104
Vanaspati Ghee	M.T.	0	0	0	0
Mahua Seed	M.T.	0	0	1442	366

Crude Oil for Refinery	M.T.	22756	7796	109017	32179
Crude Oil for Vanaspati	M.T.	426	49	2562	-24
Tin Plate	M.T.	176	108	580	333
Oil Cake	M.T.	75703	12704	74918	4004
Packing Material/Other Expenses			66074		7428
HDPE			43		284
			<b>106124</b>		<b>309983</b>
<b>Sale</b>					
Oil	M.T.	57960	30075	360149	230716
DOC	M.T.	119112	24430	314421	57060
Vanaspati Ghee	M.T.	951	496	3001	1701
Power	KWH	117403181	3864	187670759	6051
By Product/Packing Material/ Trading Goods			41117		85982
<b>Closing Stock</b>					
Oil	M.T.	11122	6065	41464	22351
DOC	M.T.	4022	582	16100	3322
Vanaspati Ghee	M.T.	107	62	652	348
By Product/Packing Material/Trading Goods			432		1096

**Note 51 : CIF/CFR Value of Imports** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec.31, 2012
Raw Materials/ Traded Goods	-	-
Stores & Spares	-	-
Capital goods	-	-

**Note 52 : Earnings in Foreign Currency** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec.31, 2012
On export of goods calculated on FOB basis	-	91
Interest on loan to subsidiaries	187	354

**Note 53 : Expenditure in Foreign Currency** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec.31, 2012
Interest	143	165
Professional fees	15	4
Others	0	7

**Note 54 : Dividend to NRI / OCB** (Rs. In Lacs)

	For the period ended on March 31, 2014	For the period ended on Dec.31, 2012
Dividend	5	24
Number of Shareholders	991	1144
Total Number of Shares (In No.)	85115504	84537969

**Note 55 : Comparatives Figures**

1) The current financial statements is prepared for fifteen months period ended March 31, 2014, hence figures for the same are not comparable with that of previous financial statements, which was prepared for the eighteen months period ended Dec 31, 2012.

As per our report of even date For and on behalf of Board of Directors

**For LADHA G.D. & CO.**

Chartered Accountants  
Firm Reg. No. 010962C

**K. S. OILS LIMITED**

**Ramesh Chand Garg** **Davesh Agarwal**  
Managing Director Executive Director & CFO

**Nitin Pahariya**

Partner  
M. No. 409770  
Place: New Delhi  
Date: August 1, 2015

**Sandeep Kumar**

Company Secretary



**Information on Subsidiary & Fellow Subsidiary Companies  
As Directed by the Central Government order Section 212 (8) of the Companies Act , 1956.**

Sr. No.	Particulars	Currency	KS Natural Resources Pte. Ltd. (Singapore)	USD	K S Agri Resources Pte. Ltd. (Singapore)	USD	K S Oil Sdn Bhd (Malaysia)	RM	PT. Buana Mega Sentosa Plantation (Indonesia)	IDR	PT Biodiesel Jambi (Indonesia)	IDR	PT .Mega Artha Persada (Indonesia)	IDR	PT Tunas Bersusun Abadi (Indonesia)	IDR	PT. Luvang Urip (Indonesia)	IDR
1	Capital	Foreign Currency	47,984,400		18,376,200		4,040,000		30,333,000,000		27,000,000,000		5,000,000,000		27,000,000,000		2,000,000,000	
		Indian Rupees	2,883,852,843		1,104,405,945		1,236,200		2,670,214		2,376,810		440,150		2,376,810		176,060	
2	Reserves	Foreign Currency	(18,926,658)		(3,239,853)		(4,541,377)		(15,594,567,421)		(3,081,700,568)		(6,437,097,868)		(27,329,031,268)		(255,781,815)	
		Indian Rupees	(1,137,488,360)		(194,714,517)		(1,389,616)		(1,372,790)		(271,282)		(566,658)		(2,405,775)		(22,516)	
3	Total Assets	Foreign Currency	29,076,603		15,591,044		12,667,134		57,287,315,375		25,993,949,683		-		88,018,125,935		5,450,848,539	
		Indian Rupees	1,747,498,025		937,018,626		3,876,016		5,043,002		2,288,247		-		7,748,236		479,838	
4	Total Liabilities	Foreign Currency	18,861		454,697		13,168,511		42,548,882,796		2,075,650,251		1,437,097,868		88,359,946,619		3,706,630,354	
		Indian Rupees	1,133,542		27,327,199		4,029,433		3,745,578		182,719		126,508		7,778,326		326,295	
5	Investments	Foreign Currency	18,212,728		184,972		-		-		-		-		-		-	
		Indian Rupees	1,094,581,310		11,116,780		-		-		-		-		-		-	
6	Turnover & Other Income	Foreign Currency	-		-		2,641,348		-		-		-		-		-	
		Indian Rupees	-		-		824,843		-		-		-		-		-	
7	Profit / (Loss) Before Tax	Foreign Currency	(3,486,330)		(1,168,820)		1,068,419		(6,918,434,853)		(593,032,662)		(210,687,691)		(13,417,876,755)		(10,869,405)	
		Indian Rupees	(210,770,064)		(70,662,349)		333,647		(628,678)		(53,889)		(19,145)		(1,219,282)		(988)	
8	Provision for tax	Foreign Currency	-		-		-		-		-		-		-		-	
		Indian Rupees	-		-		-		-		-		-		-		-	
9	Profit / (Loss) After Tax	Foreign Currency	(3,486,330)		(1,168,820)		1,068,419		(6,918,434,853)		(593,032,662)		(210,687,691)		(13,417,876,755)		(10,869,405)	
		Indian Rupees	(210,770,064)		(70,662,349)		333,647		(628,678)		(53,889)		(19,145)		(1,219,282)		(988)	
10	Proposed Divided	Foreign Currency	-		-		-		-		-		-		-		-	
		Indian Rupees	-		-		-		-		-		-		-		-	
	Closing Rate		60.099800		60.099800		0.305990		0.000088		0.000088		0.000088		0.000088		0.000088	
	Daily Average Rate		60.456143		60.456143		0.312281		0.000091		0.000091		0.000091		0.000091		0.000091	

Note: Rates of US Dollars have been obtained from WWW.ibi.org , whereas rates of Malaysian ringgit and Indonesian rupiah have been taken from WWW.oanda.com all rates are based on daily averages of daily closing prices.

For and on behalf of the Board of Directors of  
**K. S. Oils Limited**

**Ramesh Chand Garg**  
Managing Director

**Davesh Agarwal**  
Executive Director & CFO

**Sandeep Kumar**  
Company Secretary





*If undelivered, please return to:*

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