



KS OILS LIMITED
ANNUAL REPORT 2011-12

Company Information

Board of Directors

Mr. Ramesh Chand Garg
Chairman & Managing Director

Mr. Davesh Agarwal
Executive Director & Chief Financial Officer

Mr. Sourabh Garg
Non-Executive Director

Mr. Pramod Kumar Mandloi
Independent Director

Mr. Arvind Pandalai
Independent Director

Mr. Brij Mahendra Nandan Singh
Independent Director

Dr. R. S. Sisodia
Independent Director

Mr. Boda Venkat Ram
Independent Director

Mr. B. S. Bhasin
Nominee Director (S.B.I)

Mr. M. B. Kaul
Nominee Director (I.D.B.I)

Company Secretary
Sandeep Kumar

Bankers

State Bank of India
Axis Bank
Andhra Bank
IDBI Bank
ICICI Bank
PNB Bank
Central Bank of India

Auditors

M/s Haribhakti & Co.
Chartered Accountants

Registered Office

Jiwaji Ganj, Morena – 476001,
Madhya Pradesh, India

Registrar and Share Transfer Agent

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

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Directors' Report

Dear Members,

The Directors have pleasure in presenting the Twenty Seventh Annual Report of the Company along with the Audited statement of Accounts for the period ended December 31, 2012. The Report also includes the Management Discussion and Analysis Report in accordance with the provisions of the Clause 49 of the Listing Agreement. The Financial Results of the Company for the period ended December 31, 2012 are summarized below:

(Rs. In Lacs)

Financial Highlights	2011-12 (18 Months)	2010-11 (15 Months)
Revenue from operations	346,589	562,835
Less: Excise Duty	236	284
Net revenue from operations	346,353	562,551
Profit/loss before Finance cost, Depreciation, Exceptional items and Taxes	(53,258)	7515
Less: Finance Cost (Interest)	44,154	33,964
Profit/loss before Depreciation, Exceptional items and Taxes	(97,412)	(26,450)
Less: Depreciation	9,549	8,007
Profit/loss before Exceptional items and Taxes	(106,961)	(34,457)
Less: Exceptional items	29,269	-
Profit/loss before Taxes	(136,230)	(34,457)
Less: Provision for Tax:		
(a) Income Tax	-	-
(b) Tax for earlier year's	184	-
(c) Deferred Tax adjustment	788	633
(d) MAT Credit Reversal	-	406
Profit/loss after Taxes	(137,203)	(35,495)
Add: Balance brought forward from the previous year	13,619	49,143
Balance available for appropriation	(117,006)	13,649
Which the Directors have appropriated as under, to:		
(i) Proposed Dividend	-	-
(ii) Tax on Dividend	-	-
(iii) Provision for interest on dividend	40	18
(iv) Provision for interest on dividend distribution Tax	22	11
(v) General Reserve	-	-
Total	62	29
Surplus carried forward to the Balance Sheet	(117,068)	13,619

Change in Financial Year

The Financial year of the Company was extended by 6 months i.e., from July 01, 2012 to December 31, 2012 with the approval of the Registrar of Companies. Hence the financial year of the Company under review cover a period of 18 months and are not comparable with the results of the previous financial year 2010-11 which was for 15 months.

During the financial period, paucity of adequate working capital has affected the operations, resulting in partial running or closure of plants for a limited period due to liquidity constraint. Meanwhile CDR, which the company opted and had it approved from its lenders is also being pursued for regularization. Management believes that once the re-organizing process is put in place, it would be able to run its plants smoothly and generate sufficient funds which would in turn improve the company's profitability and make its net worth positive.

During the year under review, your Company's total sales were Rs. 346,353 Lacs (18 Months) as against Rs. 562,551 Lacs for the previous year (15 Months). The loss before finance cost, depreciation, exceptional items and taxes was Rs. 53,258 Lacs (18 Months) as against the profit of Rs. 7,515 Lacs for the Previous year (15 Months). The finance cost was Rs. 44,154 Lacs (18 Months) as against to Rs. 33,965 Lacs for the previous year(15 Months). The company recorded (Earning Per Share) EPS of Rs. (31.09) for the period ended December 31, 2012.

Division wise operational performance for the period ended December 31, 2012 was as under:

A. Oil Division

- 1. Mustard Oil: During the period under review the Company's mustard oil plant was utilized up to 24 % of its installed/available capacity; it processed 480,254 MT of mustard seeds. Mustard Oil production stood at 157,861 MT against that of 237,345 MT in the previous year, recording a significant decrease of 44.57% as compared to previous year.*
- 2. Refined Oils: The Company's refined oil plants utilized 15 % of its available capacity and processed 109017 MT of crude oil. Refined oil production stood at 94,484 MT against that of 239670 MT in the previous year, recording a significant decrease of 67.15% over the previous year.*
- 3. De Oiled Cake (DOC): Solvent extraction plant utilized 19 % of its available capacity during the year under review and processed 366,483MT of oil cake/seeds. During the year, DOC production was at 314,073MT as against 438,960 MT during the previous year, thus recording a decrease of 40.37% over the previous year.*

B. Vanaspati Division

Production of Vanaspati was at 3,271 MT against that of 11,152 MT in the previous year, decrease 75.56 % as compared to previous year.

C. Power Division

During the year power generated through wind mills was 200,910,809 units as against 158,928,285 units in the last year, thus recording an increase of 5.35% over the previous year. Out of these units, the Company has utilized 13,240,050 units for in-house consumption and sold 187,670,759 units and generated Rs. 6,051 lakh as additional revenue.

Dividend

In view of the losses incurred, your Board of Directors is unable to recommend any dividend for the period ending December 31, 2012.

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 annexed to the Annual Report.

However, the consolidated financial statements are annexed with the financial results of the company.

Renewable Energy Initiatives:

All the 92 WTGs of 78 MW in Madhya Pradesh, Rajasthan, Gujrat & Tamilnadu are running successfully & generating revenue for the company through the sale of power to SEBs. 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.

During the year, company's fifth CDM project of 6 MW wind mills situated at Rajasthan got registered by UNFCCC under Kyoto Protocol. Company also completed third verification of its 8.5 MW Gujarat & Dewas (MP) project.

The company is in process of developing two more CDM projects in Tamilnadu & Madhya Pradesh. All these projects are at different stages of validation process of CDM cycle. The proceeds from the sale of carbon credit would make the project financially viable and shall improve the expected rate of return.

Moreover, the project will aid reduction of greenhouse gas emissions and will contribute towards climate change mitigation efforts. This will generate carbon credits by reducing GHG emission under Kyoto Protocol and the revenue generated from sale of carbon credits would support the project financially in addition to returns from the power generation.

Capital Raising/Preferential Allotment of Securities & Qualified Institutional Placement (QIP):

Preferential Issue of Equity Shares to the Qualified Institutional Buyers (QIBs) through Qualified Institutional Placement (QIP)

In order to meet the fund requirement of the Company for its (i) Working Capital requirement and (ii) Other Corporate purposes, the Company has allotted 33,767,282 Equity Shares of Re. 1/- each at a premium of Rs. 6.25 to the QIBs and raised Rs. 2,448.13 Lacs.

Utilization of proceeds received on preferential issue of securities:

The company has raised Rs 2,448.13 Lacs up to December 31, 2012 from allotment of equity shares on preferential basis to the QIBs. The proceeds of preferential allotment of equity shares have been utilized for the purpose of Working capital requirement.

Management discussion and Analysis

A separate section on Management Discussion and Analysis, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is given in the Annual Report.

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.

Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. They have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have 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 current period and of the profit of the Company for that period;

3. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

Directors

“Mr. Boda Venkatram was appointed as Additional Director by the Board of Directors of the Company at the Board Meeting held on August 14, 2012 to fulfill parity of the Independent Directors as required under Clause 49 of the Listing agreement and also to infuse industry experts in the Board.”

As per the provision of Section 260 of the Companies Act, 1956, aforesaid Additional Director hold office only up to the date of the forthcoming AGM of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 in respect of the above person, proposing his reappointment as Director of the Company.

“Mr. Umesh Jain was appointed by the Board of Directors of the Company as Nominee Director appointed by IDBI Bank Limited as per loan agreement dated December 26, 2008 at the Board Meeting held on September 12, 2011. Appointment of Mr. Umesh Jain is not subject to the provisions of section 260, 257 and other provisions of the Companies Act, 1956 and shall not be liable to retire by rotation.

Further, the Company had received a letter no. CSPD-SSCB.53/Nom.8 from IDBI Bank dated September 12, 2012 in which the IDBI Bank had appointed Mr. M. B. Kaul as nominee director of the company in place of Mr. Umesh Jain. For the purpose to put to effect the letter of IDBI Bank, the board took note of resignation of Mr. Umesh Jain and instead appointed Mr. M. B. Kaul as Nominee Director at the board meeting held on October 05, 2012. Appointment of Mr. M. B. Kaul is not subject to the provisions of section 260, 257 and other provisions of the Companies Act, 1956 and shall not be liable to retire by rotation.

In accordance with the provisions of the Companies Act, 1956 Mr. R. Ganesh, Mr. Sanjay Agarwal, Mr. R. P. Singh & Mr. J. P. Singh resigned from the office of the Director of the company at the board meeting held on August 18, 2011.

Fixed 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.

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.

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 14 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.

Auditors

M/s Haribhakti & Co., Chartered Accountants, auditor of the Company, shall retire at the end of ensuing AGM and being eligible to offer themselves for re-appointment.

The observations made in auditor's report, read together with relevant notes thereon are self-explanatory and hence, do not call for any comments under 217 of the Companies Act, 1956.

Report on Corporate Governance

A detailed report on Corporate Governance has been provided elsewhere in the Annual Report.

Employee Stock Option Scheme

ESOPs was approved and implemented by the Company and Options were granted to employees in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred as to "the SEBI Guidelines"). The board in its meeting dated November 10th, 2012 has decided to discontinue the ESOP Scheme which was open for the employees of the company. The Company has received waiver letter from its employees.

"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

Acknowledgements

Your Directors place on record their appreciation of the support 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

K S Oils Limited

Sd/-

Place: Morena

Date: July 26, 2013

Ramesh Chand Garg
(Chairman & Managing Director)

Annexure “A” to Directors’ Report

Form A

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

A) Power and fuel consumption		2011-12 (18 Months)	2010-11 (15 Months)
1. Electricity			
(a) Purchase			
Unit		15,726,028	19,063,573
Total amount (Rs.)		147,761,195	164,122,628
Rate/unit (Rs.)		9.40	8.61
(b) Own generation			
Through diesel generator			
Unit		1,502,574	2,772,341
Unit per ltr. of diesel oil (Rs.)		3.57	3.77
Cost/unit (Rs.)		11.61	9.90
(i) Through WTG’s			
Unit		13,240,050	23,378,783
Total Amount (Rs.)		61,745,572	76,597,246
Rate/Unit (Rs.)		4.66	3.28
* units generated through wind turbine has been credited against purchase of Units			
2. Coal			
Quantity (M.T.)		55,218	71,861
Total Cost (Rs.)		275,145,090	278,653,447
Average Rate (Rs.)		4,982.87	3,877.66
3. Furnace Oil		-	-
4. Others		-	-
B) Consumption per Unit of Production:			
Product (with details) unit: Oil and Vanaspati Division			
(Current year: 569689 MT, Previous Year: 927127 MT)			
Electricity		53.48	48.77
Furnace Oil		-	-
Coal		0.10	0.08
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 Lacs)*

Particulars	2011-12 (18 Months)	2010-11 (15 Months)
a) Foreign exchange earning of the company:		
Earning on FOB basis	91	9,609
Interest on deposits with banks	Nil	Nil
Interest on loan to subsidiaries	354	287
b) Foreign Exchange Outgo:		
i. CIF value of imports		
a) Raw Material	Nil	19,919
b) Finished Goods	Nil	Nil
c) Capital Goods	Nil	345
ii. Expenditure in foreign currency	176	553
iii. Investment in Foreign Subsidiaries		
a) As subscription amount for Shares therein	290	2,124
b) Loan to Subsidiaries	Nil	Nil

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. The recent global phenomenon like the financial meltdown, mega corporate failures and frauds has heightened the corporate governance practices and need for transparency and strong business ethics.

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 of continued success. 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:

1) 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 at December 31, 2012 the Board consists of 9 (Nine) Directors, out of whom 2 (Two) are Executive Directors, and 1 (One) is Nominee Director and 6 (Six) are Independent and Non Executive Directors.

None of the Directors on the Board is a Member on 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 December 31, 2012 is as under:

Name of Director	Category of Directorship	Designation	Directorship in other Companies	No. of Board Committees in which Chairman / Member	
				Chairman	Member
Executive Directors					
Mr. 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.	1	2
Mr. Davesh Agarwal	Executive Director	Director	1. PT Biodiesel Jambi 2. PT Mega Artha Persada 3. PT Tunas Bersusun Abadi 4. PT Buana Mega Sentosa 5. K S Metcast Pvt. Ltd. 6. Arth Real Developers (M.P) Private Limited	-	2
Non Executive Directors					
Mr. Sourabh Garg	Promoter	Director	NONE	-	-
Mr. Pramod Kumar Mandloi	Independent	Director	NONE	4	1
Mr. Brij Mahendra Nandan Singh	Independent	Director	NONE	-	-

Dr. R. S. Sisodia	Independent	Director	NONE	-	-
Mr. Arvind Pandalai	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	-	-
Mr. Boda Venkatram	Independent	Additional Director	Mavens Industries Limited	-	-
Nominee Director					
Mr. M.B. Kaul	Independent	Nominee Director	NONE	-	-

Changes introduced during July 01, 2011 – December 31, 2012

- i. Mr. Sanjay Agarwal ceased as Director w.e.f. July 23, 2011.
- ii. Mr R. Ganesh ceased as Director w.e.f August 18, 2011
- iii. Mr. Umesh Jain ceased as Director w.e.f. September 26, 2012.
- iv. Mr. M.B. Kaul appointed as Nominee Director of IDBI Ltd. w.e.f. September 26, 2012.

Changes introduced after December 31, 2012

- i. Mr. B.S. Bhasin appointed as Nominee Director of SBI w.e.f. February 11, 2013.
- ii. Mr. Boda Venkatram appointed as Independent Director w.e.f. March 30, 2013.

Board Procedure

The Board meets at least once 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 year July 1, 2011 to December 31, 2012, Fourteen (14) Board Meetings were held on following dates, and the maximum time gap between two meetings did not exceed four months:

August 18, 2011	September 12, 2011	September 26, 2011	November 29, 2011
December 24, 2011	December 30, 2011	February 8, 2012	April 9, 2012
May 14, 2012	June 18, 2012	August 14, 2012	September 8, 2012
October 5, 2012	November 10, 2012		

Name of the Director	Meetings held during the tenure of Directors	No of Board Meetings attended	Attendance at the last AGMM held on 30th September, 2010
Mr. Ramesh Chand Garg	14	14	Present
Mr. Sourabh Garg	14	0	-
Mr. Pramod Kumar Mandloi	14	14	Present
Mr. Brij Mahendra Nandan Singh	14	14	Present
Dr. R.S. Sisodia	14	12	-
Mr. Arvind Pandalai	14	7	-
Mr. Umesh Jain*	10	4	-
Mr. Davesh Agarwal	11	8	-
Mr. Boda Venketram	4	3	-
Mr. M. B. Kaul**	2	1	-

* Mr. Umesh Jain ceased as Director w.e.f. September 26, 2012.

** Mr. M.B. Kaul appointed as Nominee Director of IDBI Ltd. w.e.f. September 26, 2012.

Annual General Meeting of the company was held on December 30, 2011 At A.B. Road, Morena (M.P.) – 476 001. The following Directors were presents during the Annual General Meeting:

1. Mr. Ramesh Chand Garg
2. Mr. Pramod Kumar Mandloi
3. Mr. Brij Mahendra Nandan Singh

(B) Non Executive Directors Compensation and Disclosures

The Non-Executive Directors are paid sitting fee for attending each meeting of the Board & various committees' meetings.

Details of Shareholding of Non-Executive Directors as on December 31, 2012 and the Sitting fee paid to them during the period from July 01, 2011 to December 31, 2012 are as follows:

Name of Non-Executive Directors	Sitting Fees (In Rupees)	No. of Shares Held
Mr. Pramod Kumar Mandloi	2,70,000	Nil
Mr. Brij Mahendra Nandan Singh	2,20,000	Nil
Dr. R.S. Sisodia	2,15,000	Nil
Mr. Arvind Pandalai	1,05,000	Nil
Mr. Boda Venkatram	45,000	Nil
Mr. M. B. Kaul	15,000	Nil
Mr. Umesh Jain	60,000	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 Limited 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 Chairman & Managing Director

I, Ramesh Chand Garg, Chairman & Managing Director of K S Oils Limited, hereby confirm that all the Board members and Senior Management personnel have affirmed compliance with the code of conduct for the period from July 01, 2011 to December 31, 2012.

Sd/-

Place: Morena

Ramesh Chand Garg

Date: July 26 , 2013

Chairman & Managing Director

(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 the meetings of all the Committees are placed before the Board for review.

The Board has currently established the following five (5) statutory and non-statutory Committees:

- Audit Committee
- Management and Finance Committee
- Shareholder's /Investors Grievances committee
- Remuneration Committee
- Compensation 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 July 01, 2011 to December 31, 2012, 6 (six) Audit Committee Meetings were held as under:

September 26, 2011 **November 29, 2011** **February 08, 2012** **May 14, 2012**
August 14, 2012 **November 10, 2012**

The composition of the Audit Committee and attendance of members at the meetings of the Audit Committee held during the period i.e., from July 1, 2011 to December 31, 2012 are as follows:-

Members	Chairman / Member	Total No. of Meetings	Numbers of meetings attended
Mr. P. K. Mandloi	Chairman	6	6
Mr. R. S. Sisodia	Member	6	6
Mr. R. C. Garg	Member	6	6

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;
- 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;
- 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 AS as applicable to the Company has been ensured in the Financial Statements for the year ended December 31, 2012.

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 and reference:

1. 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
2. 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.
3. To review the long term business plans, capital expenditure, business strategies and organizational structure of the company.
4. To look into the other day to day operations of the company.
5. 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 July 01, 2011 to December 31, 2012, 25 (Twenty Five) Management and finance Committee Meetings were held as under:

July 01, 2011	July 15, 2011	August 27, 2011	September 06, 2011
September 13, 2011	October 03, 2011	November 04, 2011	November 29, 2011
December 24, 2011	January 31, 2012	February 08, 2012	February 20, 2012
February 29, 2012	March 20, 2012	April 09, 2012	April 12, 2012
May 14, 2012	May 25, 2012	July 11, 2012	August 14, 2012
September 08, 2012	October 05, 2012	November 10, 2012	November 14, 2012
December 03, 2012			

Composition of the Management and Finance Committee as on December 31, 2012 and attendance of Members at the meetings of the Management and Finance Committee held during the year i.e. from July 01, 2011 to December 31, 2012 was as follows:-

Members	Position	Total No. Meetings	Numbers of meetings attended
Mr. Ramesh Chand Garg	Chairman	25	25
Mr. Sanjay Agarwal*	Member	02	02
Mr. Saurabh Garg	Member	04	02
Mr. R. S. Sisodia	Member	21	01
Mr. P. K. Mandloi	Member	25	25
Mr. Davesh Agarwal	Member	18	18

*Mr. Sanjay Agarwal ceased as Director w.e.f. July 23, 2011.

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.

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

The quorum for functioning of the Committee is any two directors present. Six meetings of the Committee were held during the year. The meetings were held on:-

July 15, 2011	November 04, 2011	January 17, 2012	April 09, 2012
July 11, 2012	October 05, 2012		

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

Members	Position	Meetings held during the tenure of Directors	Numbers of meetings attended
Mr. P. K. Mandloi	Chairman	6	6
Mr. Sanjay Agarwal*	Member	1	1
Mr. Sourabh Garg	Member	1	1
Mr. Ramesh Chand Garg	Member	5	5
Mr. Davesh Agarwal	Member	4	4

* Mr. Sanjay Agarwal ceased as Director w.e.f. July 23, 2011.

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

The total number of complaints received and replied to the satisfaction of shareholders, during the period under review, were 21. There were no complaints pending as on December 31, 2012 that has not been resolved to the satisfaction of the shareholders nor is there any pending transfer.

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.

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

Mr. P. K. Mandloi	Chairman
Dr. R. S. Sisodia	Member
Mr. B. N. Singh	Member

During the period i.e., from July 01, 2011 to December 31, 2012 under review only 2 (Two) meeting on September 26, 2011 and December 30, 2011 of the Remuneration Committee took place.

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 July 01, 2011 to December 31, 2012

Name of Director	Position	Salary	Perquisites and Allowances	Commission	Total
					(Rs. in Lacs)
Mr. Ramesh Chand Garg	Chairman and Managing Director	4.00 per month	Nil	Nil	72.00
Mr. Davesh Agarwal	Whole-time Director	2.00 per month	Nil	Nil	26.07
Mr. Sourabh Garg*	Whole time Director	3.00 per month	Nil	Nil	7.06
Mr. Sanjay Agarwal**	Whole time Director	3.50 per month	Nil	Nil	3.27
Mr. R. Ganesh***	Whole time Director	3.00 per month	Nil	Nil	0.19

* Status of Mr. Sourabh Garg has changed to Non-Executive Director w.e.f September 12, 2011

** Mr. Sanjay Agarwal ceased as Director w.e.f. July 23, 2011.

*** Mr R. Ganesh ceased as Director w.e.f August 18, 2011.

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.

V. Compensation Committee

The Board of Directors, in their Meeting held on November 10th, 2012, have withdrawn ESOP Scheme – 2007 After receiving duly executed wavier letter from the employees.

Compensation committee has been dissolved with the immediate effect after withdrawal of ESOP Scheme – 2007, as the committee was constituted Pursuant to the mandatory provisions of SEBI (ESOS&EOPS) Guidelines, 1999.

E. Subsidiary Companies

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

F. Disclosures

(A) Related Party Transactions

During the year, there were no materially 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.

(B) 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.

(C) 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.

(D) 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. 2,448.13 Lacs.

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.

(E) 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.

(F) Management Discussion and Analysis

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

(G) Shareholders

The Company has around 1,45,732 (as on December 31, 2012) 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 results which are published in news papers, apart from press releases 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. The Company Secretary of the Company has been appointed as Compliance officer of the Company.

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 on share prices for the last one year, and details on the listing of shares at various Exchanges.

(H) 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 within 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

2. 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
I Annual General Meeting					
2008-09	September 30, 2009	Wednesday	T. R. Puram A. B. Road, Morena (M.P.) - 476 001	4:00 P.M.	Amendment of Articles of Association that substitution of various articles by introduction.
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"> 1. Re-appointment of Mr. Ramesh Chand Garg as Whole time director. 2. Appointment of Mr. Ramesh Chand Garg as Chairman & Managing Director. 3. Approval for issue of funds through QIPs up to Rs. 250 Cr.
II Extra Ordinary General Meeting					
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"> 1. Approval to issue GDR upto US \$150 Million. 2. To alter the Memorandum of Association for increasing the Authorised Share Capital. 3. To alter the Articles of Association for increasing the Authorised Share Capital.

2011-12	August 17, 2011	Friday	Jiwaji Ganj, Morena - 476 001 (M. P.)	-	No resolution was passed.
2011-12	October 05, 2012	Thursday	Jiwaji Ganj, Morena - 476 001 (M. P.)	3:00 P.M.	1. To alter the Articles of Association for increasing the Authorised Share Capital. 2. Approval to issue the 1% Cumulative Redeemable Preference Shares to the Banks.

3. Means of Communication

Quarterly financial results of the company are announced within the time specified* in 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 December 31, 2012 & March 31, 2013. As well as company has not submitted its Audited Annual Accounts with in time specified in the 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,
A. B. Road, Morena (MP) – 476001

Financial Calendar (tentative):

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

Dividend:

The board have not recommended any dividend.

Information regarding Listed Equity Shares and Global Depository Receipts (GDRs) on Stock Exchanges, Payment of Listing Fees and Stock Code etc.:

Name of Stock Exchange	Code/Trading Symbol	ISIN
A. Equity Shares		
1. Bombay Stock Exchange Limited, (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	526209	INE727D01022
2. National Stock Exchange of India Limited (NSE), “Exchange Plaza”, Bandra-Kurla Complex, Bandra (E), Mumbai 400051	KSOILS	INE727D01022
B. GDRs		
Singapore Exchange Limited, Singapore	K.S.OILS LIMITED GDR	US48269C1080

Payment of Listing Fee: Annual Listing Fee for the year 2012-13 (as applicable) has been paid by the company to BSE, NSE, NSDL, & CDSL. Annual Listing Fees for the calendar year 2010-11 has been paid by the Company to the Singapore Exchange Limited.

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 2011-2012 at BSE & NSE

Month	BSE		NSE		BSE sensx (close)
	K. S. OILS (High)	K. S. OILS (Low)	K. S. OILS (High)	K. S. OILS (Low)	
July, 2011	22.85	18.70	22.85	18.55	18,197.20
August, 2011	18.35	7.95	18.35	7.95	16,676.75
September, 2011	12.46	9.45	12.50	9.45	16,453.76
October, 2011	10.16	9.59	10.15	9.55	17,705.01
November, 2011	9.76	6.62	9.80	6.60	16,123.46
December, 2011	7.00	5.88	7.00	5.85	15454.92
January, 2012	7.93	5.5	7.95	5.45	17,193.55
February, 2012	10.08	7.47	10.10	7.45	17,752.68
March, 2012	8.12	6.77	8.10	6.75	17,404.20
April, 2012	8.13	5.91	8.10	5.95	17,318.81
May, 2012	5.92	5.12	5.90	5.10	16,218.53
June, 2012	5.37	5.06	5.40	5.05	17,429.98
July, 2012	6.21	4.97	6.20	5.00	17,236.18
August, 2012	5.12	4.34	5.10	4.35	17,429.56
September, 2012	5.13	4.39	5.15	4.00	18,762.74
October, 2012	5.18	4.30	5.15	4.30	18,505.38
November, 2012	4.38	3.93	4.35	3.90	19,339.9
December, 2012	4.90	4.11	4.9	4.1	19,426.71

Source: BSE & NSE websites:

Distribution of Shareholding as on December 31, 2012

No. of Equity Shares		No. of Shareholders	Percentage of Shareholders	No. of Shares Held	Percentage of Shareholding
Up to	1000	1,11,041	76.20	3,83,12,117	8.34
1001	2000	15,560	10.68	2,54,62,009	5.55
2001	3000	5,728	3.93	1,51,34,279	3.30
3001	4000	2,976	2.04	1,09,75,191	2.39
4001	5000	2,725	1.87	1,31,05,749	2.85
5001	10000	4,194	2.88	3,19,73,841	6.96
10001	20000	1,911	1.31	2,75,36,538	6.00
20001	30000	589	0.40	1,48,33,405	3.23
30001	40000	268	0.18	95,78,584	2.09
40001	50000	203	0.14	94,40,785	2.06
50001	100000	287	0.20	2,11,68,913	4.61
100000	Above	250	0.17	24,16,58,626	52.63
	Total	1,45,732	100.00	45,91,80,037	100.00

Shareholding Pattern as on December 31, 2012

Category code	Category of Shareholder	No. of Shareholders	No. of Shares held	% of Share Capital
(A)	SHARE HOLDING OF PROMOTER AND PROMOTER GROUP			
(1)	Indian Promoters	7	34602105	7.54
(2)	Foreign promoters	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2)	7	34602105	7.54
(B)	PUBLIC SHARE HOLDING			
(1)	Institutions			
(a)	Mutual Funds and UTI	-	-	-
(b)	Financial Institutions and Bank	6	2083160	0.45
(c)	Central Govt. / State Govt.(s)	-	-	-
(d)	Insurance Companies, Foreign Venture Capital Investors	-	-	-
(e)	Foreign Institutional Investors	7	18148131	3.95
(f)	Any other (Specify)	-	-	-

	Sub-Total (B)(1)	13	20231291	4.41
(2)	Non-institutions			
(a)	Bodies Corporate	1534	97755779	21.29
(b)	Individuals			
	i. Individuals shareholders holding nominal shares capital up to Rs. 1 Lac.	142805	195018298	42.47
	ii. Individuals shareholders holding nominal shares capital in excess of Rs. 1 Lac.	95	25837625	5.63
(c)	Any Other –			
	i. NRIs/OCBs	1144	84537969	18.41
	ii. Clearing Member	134	1196970	0.26
	Sub-Total (B) (2)	145712	424577932	92.46
	Total Public Shareholdings (B) = (B) (1)+(B) (2)	145725	424577932	92.46
	TOTAL (A)+(B)	145732	459180037	100.00
(C)	Shares held by custodians and against which depository receipts have been issued	-	-	-
	GRAND TOTAL (A)+(B)+(C)	145732	459180037	100.00

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 December 31, 2012:

No. of Shares Dematerialized	99.51% of the total share capital
No. of Shareholders in Demat form	1,44,829 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 (MP)

Phone: 07532 –304000

Fax : 07532 - 304312

Email: works@ksoils.com

- (ii) Village Khara Kheri,

Ratlam -457 001, Madhya Pradesh

- (iii) Village Tathed,

Tehsil Ladpura

Kota, Rajasthan

- (iv) J.L.No.-149, Debhog

HPL Link Road, Haldia

Purba, Medinipur-721657

W.B., India

- (v) Village Silawati (Opp. Vandana Hotel)

A. B.Road Guna, Distt.

Guna-473001, Madhya Pradesh

Address for Correspondence:**Shareholders are requested to contact:**

Mr. Sandeep Kumar,

Company Secretary, K.S. Oils Ltd.,

Jiwaji Ganj, Morena - 476 001,

Madhya Pradesh , India

Phone: 07532 –300000

Fax: 07532 - 300106

Email: investors@ksoils.com

Website: www.ksoils.com

4. 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 2011-12 (18 Months) and is 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 the quarterly results in prescribed time limit for consecutive 2 (Two) Quarters, i.e December 2012 and March 2013. Consequently, 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.

5. 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 I B 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 with 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. 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.

6. Going Concern

The Directors are satisfied that the Company has adequate 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/-

Place: Morena

Ramesh Chand Garg

Date: July 26, 2013

Chairman & Managing Director

MD/CFO Certificate

To

The Board of Directors

K.S.Oils Limited

Morena

We, Ramesh Chand Garg, Chairman & Managing Director, and Davesh Agarwal, 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 December 31, 2012 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.

Sd/-

Morena

July 26, 2013

Ramesh Chand Garg

Chairman & Managing Director

Sd/-

Davesh Agarwal

Chief Financial officer

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 31.12.2012, 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 above mentioned listing agreement.
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.

**For M. D. & Associates
Company Secretaries**

Sd/-

**Place: New Delhi
Date: July 25, 2013**

**Mayank Dubey
C. P. No. 10819**

Management Discussion and Analysis

Industry Structure and Developments

During the year, global economy was hit by the deterioration of the sovereign debt conditions in Europe. 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. Furthermore, Indonesia increased the duty for export of crude oil and refined palm oils during October 2011, resulting in the increased landed cost of imported crude oil as compared to refined oils. The share of import of refined oil has gone up, thereby adversely impacting the capacity utilization, operations and performance of non-port based edible oil refinery units in India during the second half of the year.

The government looking at the huge import pressure and to safeguard domestic industry from huge import of refined plam oil in July 2012, leveled the import duty structure to have a level playing field for the domestic industry. Keeping in view the substantial quantum of imports, our company hopes that the Government would continue to take appropriate counter measures proactively to encourage domestic refining industry and domestic value addition

Indian Markets

The edible oil consumption in India is likely to grow @ 3-4 % per annum from the present per capita consumption of 14.5 kg. As per “seaofindia”, Indian production of vegetable oils presently stand at 7.45 Mn tons and demand stood at 17.5 Mn tons and thereby import requirement at 10.5 Mn tons. By 2020, the import of oils may rise to 14 million tons.

India is one of the largest producers of oilseeds in the world, yet more than 50 per cent of its total domestic requirements are met through imports of oil; Crude Palm Oil and RBD Palmolein constitute about 77 per cent and Soybean Oil constitutes about 12 per cent of total imports.

Import dependence was about 3 per cent during 1992-93. The production of indigeneous oilseeds, though has increased in recent years (from 184.40 lakh tons in 2000-1 to 297.99 lakh tons in 2011-12), 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 liberalisation of Trade Policy of edible oils increased per capita consumption from 5.8 kg in 1992-3 to 14.5kg in 2010-11. This is still substantially lower than the world average per capita consumption level of 23.5 kg and 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 consumers' hearts.

Production and R&D

Our five state-of-the-art manufacturing plants are often 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 a 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 the 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 14th March 2012.

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 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 of our products by delivering superior quality. The trend of palm oil consumption increasing in India is a head start for our backward integration in oil 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 current financial year is a period of 18 months i.e., July 1, 2011 to December 31, 2012.

The company reported a net loss of Rs. 1,37,203 Lacs as compared to Rs. 35,495 Lacs in the previous year. Company's total sales were Rs. 3,46,353 Lacs as against Rs. 5,62,551 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. Today, K S Oils has approximately 690 employees working in four countries – India, Indonesia, Singapore and Malaysia. 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.

Corporate Social Responsibility

K S Oils believes that corporate social responsibility (CSR) initiatives should be intertwined with business blueprints and then only can act as a change agent. Thus, we have woven CSR and green initiatives into our long-term sustainability plan and integrated it with our business model.

Company believes in building relationship both internally and externally. Besides, our efforts always have been focused on developing incident free operational environment. Our initiatives includes, supporting up of School, hospital and development of villages in and around the plant. It is by adhering to social values and commitment to the society that we are able to prosper and look forward to contribute more in the years to come.

Company ensures an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

To directly or indirectly take up programmes that benefit the communities in & around its work centres and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.

K S Oils follows a three-pronged approach of Empowerment, Energy and Education for fulfilling its corporate social initiatives.

We know we have only one earth and it is up to us to sustain its ecological balance. Our wind energy sector initiatives are bearing fruit and today we generate 78 MW of green energy from our wind farms which has a total installed capacity of 92 wind mills. The energy generated from these wind mills are utilized in our Morena, Guna and Ratlam plants . We are committed to generate and use green energy as a philosophy within the company.

As a constructive partner in the communities in which it operates, K S Oils has been taking concrete action to realize its social responsibility objectives, thereby building value for its shareholders and customers. We respect human rights, value our employees, and invest in innovative technologies and solutions for sustainable energy flow and economic growth. In the past decades, we have supported social and community initiatives in India.

Education is another instrument of change. We believe that our ability to touch the lives of children early in their childhood is critical to shaping up their minds and character in the long term. Thus, we are associated in various ways in promoting primary education among the children in and around the district of Morena

in Madhya Pradesh. To create better employment opportunities, we are associated with providing the local youth with technical training so that they got jobs in local industries or become self-employed. We absorb significant number of young minds who are trained under this program. At K S Oils, we believe that CSR is all about long-term sustainability and we are helping in our small way through empowering farmers to get higher yields, alternative energy generation that also provides gainful employment and education to ensure a better and brighter future for India's children. We are committed to protect health and safety of our employees and community where we operate.

Auditors' Report

To

The Members of K. S. OILS LIMITED

1. We have audited the attached Balance Sheet of K. S. OILS LIMITED ('the Company') as at December 31, 2012 and also the Statement of Profit and Loss and the Cash Flow statement for the eighteen months period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in 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 standards on account of unavailability of adequate documents/information*. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956. of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *As regards trade receivables, inventory, costs, production margin and sales price of goods sold, we state that:*
 - a) *As per the report of the Independent Chartered Accountant dated 17th March, 2013 (for the period up to 30th October 2012) appointed by the lead bank, trade receivable aggregating Rs. 42,212 Lacs have been provided for bad and doubtful debts in addition to the amounts aggregating Rs. 9,333 Lacs which was already provided by the management. However trade receivables from a party are also adjusted against trade payables to other parties without any contractual arrangement between such parties and significant amounts of provision for bad and doubtful debts are being provided for, though they were confirmed by the parties earlier.*

- b) *Position of inventory is as per report of Independent Chartered Accountants appointed by the lead bank as more detailed in Note 36. Consequently the Company has made provision of Rs. 13,263 lacs for slow moving items and for variance noticed during physical verification. As explained in the Note, we could not observe-inventory count as required under SA 501 (Revised) 'Audit Evidence-Specific Considerations 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.*
5. *In the absence of details for testing the 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.*
6. *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.*
7. *Loans and Advances include advances aggregating Rs. 14,367 Lacs given to some of the suppliers which include advances Rs. 3,863 Lacs outstanding for more than a year. Relevant documents and confirmations of balances are yet to be obtained.*
8. *The company has given loans of Rs. 1,211 Lacs to its step-down subsidiary K S Oils Sdn Bhd. The net worth of the subsidiary is eroded significantly and for the accounting period ended December 31, 2012 it has accumulated losses of Rs. 817 Lacs. In view thereof, we are unable to state whether provision, if any, is required to be made for such loans.*
9. *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 schedule VI.*
10. *With regard to preparation of financial statements on a going concern assumption, the Company has incurred a net loss of Rs. 1,37,203 Lacs during the eighteen months period ended December 31, 2012 and the Company's net worth is also eroded substantially. The Company's ability to continue as a going concern is dependent upon the factors mentioned in Note 37.*
11. 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 to the Companies application to the settlement commission and the

order of the settlement commission settling all the cases.

- c) Note no. 32 With regard to recognition of interest liability at the rates sanctioned under the Corporate Debt Restructuring scheme as against original contracted rates of loan facilities.
- d) Note no. 38 (a) & (b) With regard to manner of utilization of funds raised through preferential allotment of equity shares in previous year.
- e) Note no. 39 With regard to the declared dividend balance of Rs. 365 Lacs (including Rs. 260 lacs due to promoters) which has not been transferred to a separate bank account.

12. Further to our comments in the annexure referred to in paragraph 3 above and *subject to matters reported in Paragraph 2,4 to 7 & 9 above*, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. Proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. 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;
- iv. The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. However as explained above, we are unable to comment upon the complete compliance with Accounting Standard (AS) 2 “Valuation of Inventories”, AS 9 “Revenue Recognition”, AS 28 “Impairment of Assets” and AS 29 “Provision, Contingent Liabilities and Contingent Assets”;
- v. All directors of the company are disqualified as on December 31, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.;
- vi. In our opinion and to the best of our information and according to the explanations given to us, *subject to our comments in Paragraphs 2 & 4 to 10 above, and the resulting effects of all*

these on the relevant assets, liabilities and the loss for the period which are not quantifiable, the said accounts give the information required by the Act in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in case of the Balance Sheet of the state of affairs of the Company as at December 31, 2012;
- b) in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No. 103523W

Sd/-

Sumant Sakhardande

Partner

Membership No. 34828

Place : Mumbai

Date : July 26, 2013

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' report of even date to the members of K. S. OILS Limited on the financial statements for the eighteen period ended December 31, 2012]

- (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 4 (b) of the Auditors' Report and also as stated in note 36, the same has 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. *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 4(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 4 (b) of the Auditors' Report, the Company is required to maintain proper records of inventory. Further, during the period, as stated in the said paragraph, on account of the discrepancy observed in the nature of non existing and slow moving inventory by such Independent Professional, the Company has made provision of Rs. 13,263 Lacs. 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. 1,469 Lacs and the year-end balance of loans granted to such party was Rs. 1,211 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 parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs. 5,000 Lacs and the year-end balance of loans taken from such party was Rs. 2,640 Lacs.
- (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 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 4 (b) & (c), 6, and 9, 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 strengthen 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. Further, for certain locations we are informed that the Company is in the process of getting registration for employees' state insurance and hence the E.S.I.C dues have not been deducted and deposited with the required authorities.*
- (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

dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (Rs. in Lacs)	Period (18 months) to which the amount relates	Due Date	Date of payment
Income Tax Act	Tax Deducted at Source	251	Period 2011-12	Various dates in period 2011-12	Not yet paid
Employee State Insurance Act	ESIC	5	Period 2011-12	Various dates in period 2011-12	Not yet paid
Employees Provident Fund and Miscellaneous Provisions Act	Provident Fund	13	Period 2011-12	Various dates in period 2011-12	Rs. 4 Lacs paid on 28/03/13
Income Tax Act	Dividend Distribution tax	155	Period 2011-12	2009-10	Deposited on 31/05/13 & 24/06/13

- (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	5	2007-08	Deputy Commissioner Appeal, Gwalior

Sales Tax Act	Sales Tax / CST	119	2008-09	Deputy Commissioner Appeal, Gwalior
Madhya Pradesh VAT Act	VAT	16	2007-08	Deputy Commissioner Appeal, Gwalior
Madhya Pradesh VAT Act	VAT	275	2008-09	Deputy Commissioner Appeal, Gwalior
Madhya Pradesh VAT Act	VAT	34	2008-09	Deputy Commissioner Appeal, Gwalior
Madhya Pradesh VAT Act	VAT	28	2009-10	Additional Commissioner Appeal, Gwalior
Entry Tax Act	Entry Tax	41	2006-07	Deputy Commissioner Appeal, Gwalior
Entry Tax Act	Entry Tax	12	2007-08	Deputy Commissioner Appeal, Gwalior
Central Excise Act	Excise Duty	24	2001-02	High Court
Central Excise Act	Excise Duty	3	2002-03	High Court
Income Tax Act	Income Tax	6	2007-08	Commissioner Appeals, Gwalior

(x) *Even after not considering the qualifications which are not quantifiable, the Company's accumulated losses at the end of the financial period of eighteen months are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the current and immediately preceding financial period.*

(xi) *On the basis of the records made available and the information and explanation given to us, the Company has applied for the Corporate Debt Restructuring as more detailed in note no. 32 and details of default made by the Company are as mentioned below. Further during the current period, the Company has not issued any debentures.*

Details of default in payment of principal amount

Sr. No.	Particulars	Due date of payment	Amount (Rs. in lacs)
1.	Bank 5	June'11 to Dec '12	1,612
2.	Body Corporate 2	July'11 to Dec'12	9,973
3.	Body Corporate 1	Feb'11 to Dec'12	3,166
Total			14,751

Details of default in payment of principal amount

Sr. No.	Particulars	Due date of payment	Amount (Rs. in lacs)
1.	<i>Bank 5</i>	Jun'11 to Dec '12	181
2.	<i>Body Corporate 2</i>	Jul'11 to Dec'12	2,034
3.	<i>Body Corporate 1</i>	Feb'11 to Dec'12	1,633
4.	<i>Bank 10</i>	Nov'12 to Dec'12	37
5.	<i>Bank 1</i>	Nov'12 to Dec'12	57
6.	<i>Bank 12</i>	Nov'12 to Dec'12	6
7.	<i>Bank 7</i>	Nov'12 to Dec'12	11
8.	<i>Bank 8</i>	Nov'12 to Dec'12	12
9.	<i>Bank 4</i>	Nov'12 to Dec'12	29
10.	<i>Bank 6</i>	Nov'12 to Dec'12	15
11.	<i>Bank 2</i>	Nov'12 to Dec'12	36
12.	<i>Bank 11</i>	Nov'12 to Dec'12	29
13.	<i>Bank 3</i>	Dec'12	52
14.	<i>Bank 9</i>	Nov'12 to Dec'12	1
		Total	4,133

- (xii) According to the information and explanations given to us and based on the documents 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.
- (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 Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W

Sd/-

Sumant Sakhardande

Partner

Membership No.34828

Place: Mumbai

Date: July 26, 2013

K. S. OILS LIMITED
Balance Sheet as at December 31, 2012

(Rs. in Lacs)

	Note No.	As at December 31, 2012	As at June 30, 2011
I EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	1	30580	4254
Reserves and Surplus	2	(25246)	109805
		5334	114059
Non Current Liabilities			
Long Term Borrowings	3	129191	67402
Deferred Tax Liabilities (Net)	4	11407	10619
Other Long Term Liabilities	5	59	68
Long Term Provisions	6	28	43
		140685	78132
Current Liabilities			
Short Term Borrowings	7	107262	159741
Trade Payables	8	21286	56606
Other Current Liabilities	9	50971	22776
Short Term Provisions	10	41	251
		179560	239374
Total		325579	431565
II ASSETS			
Non Current Assets			
Fixed Assets			
-Tangible Assets	11	98349	106424
-Intangible Assets	11	-	53
-Capital Work In Progress		2623	3675
Non Current Investments	12	15511	21326

Long Term Loans and Advances	13	4209	3754
Other Non Current Assets	14	335	1142
		121027	136374
Current Assets			
Inventories	15	103613	171592
Trade Receivables	16	76962	95015
Cash and Bank Balances	17	2610	10938
Short Term Loans and Advances	18	16304	12984
Other Current Assets	19	5063	4661
		204552	295191
Total		325579	431565

Significant Accounting Policies & other Notes 29 to 57

As per our report of even date

For and on behalf of Board of Directors

K. S. OILS LIMITED

For HARIBHAKTI & CO.
Chartered Accountants

Sd/-
Ramesh Chand Garg
Chairman & Managing Director

Sd/-
Davesh Agarwal
Director & CFO

Sd/-
Sumant Sakhardande
Partner

Sd/-
Sandeep Kumar
Company Secretary
Place: Morena

Place: Mumbai

Date: July 26, 2013

K. S. OILS LIMITED
Statement of Profit and Loss for the Period ended on December 31, 2012

(Rs. in Lacs)

	Note No.	For period ended on December 31, 2012	For period ended on June 30, 2011
Revenue from Operations	20	346589	562835
Less: Excise Duty		236	284
Revenue from Operations (Net)		346353	562551
Other Income	21	1056	1335
Total Revenue		347409	563886
Expenses			
Cost of Materials Consumed	22	309983	486500
Purchase of Stock in Trade	22	56324	49890
Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	23	13406	(6727)
Employee Benefit Expenses	24	2819	3652
Finance Costs	25	44154	33965
Depreciation and Amortization Expenses	26	9549	8007
Administrative and Other Expenses	27	18135	23056
Total Expenses		454370	598343
Loss before exceptional items and tax		(106961)	(34457)
Exceptional Items	28	29269	-
Loss before tax		(136230)	(34457)
Tax Expense			
Tax Related to previous years		184	-
Mat Credit Reversal		-	406
Deferred Tax	4	789	633
Loss for the period		(137203)	(35495)

Earnings Per Equity Share			
Basic/Diluted (F.V. of Re. 1 each)		(31.09)	(8.54)
Significant Account Policies & other notes		29 to 57	

As per our report of even date

For and on behalf of Board of Directors

K. S. OILS LIMITED

For HARIBHAKTI & CO.
Chartered Accountants

Sd/-
Ramesh Chand Garg
Chairman & Managing Director

Sd/-
Davesh Agarwal
Director & CFO

Sd/-
Sumant Sakhardande
Partner

Sd/-
Sandeep Kumar
Company Secretary
Place: Morena

Place: Mumbai

Date: July 26, 2013

K. S. OILS LIMITED
Cash Flow Statement for the period ended December 31, 2012

(Rs. in Lacs)

Particulars	2011-12	2010-11
Cash Flow from Operating Activities		
Net (Loss)/Profit for the Period/Year Before Tax	(136230)	(34389)
Share Issue Expenses Writoff	(319)	-
Depreciation	9549	8007
Provision for Diminution in value of investment	6501	-
Interest Received	(850)	(1172)
Interest Cost	43260	31175
Government Grant	(9)	(7)
Provision for Doubtful Debts	51943	137
Unrealised Exchange Rate Fluctuation	518	(78)
Profit on Sale of Fixed Assets	(17)	(52)
Taxes Paid	(783)	(1529)
Adjustments		
Decrease/(Increase) in Inventory	67980	146
Decrease/(Increase) in Trade Receivable	(32963)	(72054)
(Decrease)/Increase in Trade Payable and Provisions	(7431)	(6312)
Decrease/(Increase) in Other Receivables & Loans & Advances	(4501)	12856
Net Cash Flow from Operating Activities :: [A]	(3354)	(63272)
Cash Flow from Investing Activities		
Purchase of the Fixed Assets	(1451)	(6723)
Sale of Fixed Assets	46	71
Decrease in Capital WIP	1052	979
Investment In Subsidiary	(685)	(1729)
Share application money paid to Subsidiary pending for allotment of Shares		(395)
Loan to Subsidiaries	1268	(285)
Decrease in FD with Schedule Banks	8085	(258)
Interest Received	850	1172
Net Cash Flow from Investing Activities :: [B]	9166	(7168)

Cash Flow from Financing Activities		
Proceeds from Issuance of Shares	28437	4274
Proceeds from Borrowings (other than Term Loans)	(52479)	54013
Proceeds from Term Loans	61263	53246
Repayment of Term Loans	-	(11262)
Dividend Paid	(5)	(365)
Interest Paid	(43260)	(31175)
(Increase)/Decrease in unclaimed dividend account	13	(33)
Net Cash Flow from Financing Activities :: [C]	(6031)	68698
Net (Decrease)/Increase in Cash and Cash Equivalents: [A+B+C]	(219)	(1742)
Opening Balance of Cash and Cash Equivalents	649	2391
Closing Balance of Cash and Cash Equivalents	430	649
Notes:		
Cash and Cash Equivalent Includes :-		
Cash in Hand	97	180
Balance with scheduled Banks		
In Current Accounts	333	469
	430	649

As per our report of even date

For and on behalf of Board of Directors

K. S. OILS LIMITED

For HARIBHAKTI & CO.
Chartered Accountants

Sd/-
Ramesh Chand Garg
Chairman & Managing Director

Sd/-
Davesh Agarwal
Director & CFO

Sd/-
Sumant Sakhardande
Partner

Sd/-
Sandeep Kumar
Company Secretary
Place: Morena

Place: Mumbai
Date: July 26, 2013

K. S. OILS LIMITED**Notes referred to in the Balance Sheet are as follows:****Note 1 : Share Capital***(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Authorized Capital		
90,00,00,000 (June 30, 2011 : 60,00,00,000) Equity shares of Re 1/-Each	9000	6000
29,85,00,000 (June 30, 2011 : Nil) Preference Share of Rs. 10/- each	29850	-
Issued, Subscribed and Paid Up Capital		
45,91,80,037 (June 30, 2011 42,54,12,755) Equity shares of Re. 1/- each, fully paid up	4592	4254
25,98,82,735 (June 30, 2011: Nil) 1% Cumulative Redeemable Preference Share @ Rs 10/- each fully paid up and issued against conversion of Loan.	25988	-
Total	30580	4254

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

Particulars	As at December 31, 2012	As at June 30, 2011
Equity Shares		
No. of Equity Shares at the beginning of reporting period	425412755	408951418
Add: Shares issued during the period	33767282	16461337
Less: Buy Back during the period	-	-
No. of Equity Shares at the end of the reporting period	459180037	425412755

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

Particulars	As at December 31, 2012	As at June 30, 2011
Preference Shares		
No. of Preference Shares at the beginning of reporting period	-	-
Add: Shares issued during the period	259882735	-
Less: Redeemed during the period	-	-
No. of Preference Shares at the end of the reporting period	259882735	-

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

	As at December 31, 2012		As at June 30, 2011	
	No. of Shares	in %	No. of Shares	in %
Mr. Ramesh Chand Garg	51,93,590	1.13	5,14,63,656	12.10
Mrs. Sheela Devi Garg	1,20,61,466	2.63	3,43,88,000	8.08
Baring Private Equity Asia III Mauritius	3,57,04,070	7.78	2,14,79,710	5.05
Citi Bank N.A. New York, Nyadr Deptt.	-	-	4,98,37,710	11.72
Ratha Infrastructure Private Limited	1,75,93,570	3.83	2,49,18,253	5.86
NSR Direct Pe Mauritius LLC	4,03,30,926	8.78	4,03,30,926	9.48

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

	As at December 31, 2012		As at June 30, 2011	
	No. of Shares	in %	No. of Shares	in %
Andhra Bank	21,880,000	8.42	-	-
Axis Bank Limited	55,310,000	21.28	-	-
IDBI Bank Limited	18,770,000	7.22	-	-
Jammu and Kashmir Bank Limited	20,000,000	7.70	-	-
State Bank of India	65,702,735	25.28	-	-
State Bank of Mysore	18,000,000	6.93	-	-
Central Bank of India	26,620,000	10.24	-	-

(e) Share allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately proceeding Dec 31, 2012)

9,40,00,000 Equity Shares allotted as fully paid up by way of bonus shares in 2006-07 .

(f) 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) Regulations, 2009 on preferential basis duly approved by the Board of Directors and the Shareholders.

On April 09, 2012 the Company has allotted 3,37,67,282 Equity Shares of Re. 1/- each at a premium of Rs. 6.25/- to the QIB's and raised Rs. 2,448.13 lacs.

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

(g) Terms / rights attached to Equity Shares:

- 1 The Company has a single class of equity shares having a par value of Re 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 balance available with the Company and is in excess of Rs. 7500 Lacs.

Note 2 : Reserves and Surplus*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Capital Reserve		
Opening Balance	2449	17
Add: Transfer from warrant Forfeiture Account	-	2450
Less: ERF on Share Warrant	-	18
Closing Balance	2449	2449
Securities Premium Account		
Opening Balance	86845	78038
Add: Premium received during the period	2111	8807
Less: Share Issue Exp.	319	-
Closing Balance	88637	86845
General Reserve		
Opening Balance	6578	6578
Less: Amount Transferred to Surplus in statement of Profit & Loss	6578	-
Closing Balance	-	6578
Foreign Currency Translation Reserve		
Opening Balance	314	172
Add: Foreign Currency Gain	422	142
Closing Balance	736	314
Surplus (Balance in Statement of Profit & Loss)		
Opening Balance	13619	49143
Add: Amount Transferred from General Reserve	6578	
Less: Net Loss for the period	(137203)	(35495)
Total Profit available for Appropriation	(117006)	13649
Less: Interest on Dividend	(40)	(18)
Less: Interest on Dividend Distribution Tax	(22)	(11)
Closing Balance	(117068)	13619
Total Reserve & Surplus	(25246)	109805

Note 3 : Long Term Borrowings*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Term Loans (Secured)		
-From Banks	118755	58430
-From other parties	7796	8972
Term Loans (Unsecured)		
Loan From promoters (CMD)	2640	-
Total	129191	67402

Note 4 : Deferred Tax Liabilities (Net)*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Deferred Tax Liabilities		
Opening Deferred Tax Liabilities	10619	9986
Add : Difference between book WDV and WDV as per Income Tax Act, 1961	555	866
Add : Reversal of DTA	233	-
Gross deferred tax liability	11407	10852
Deferred Tax Assets		
as per Section 43B	-	233
Gross Deferred Tax Assets	-	233
Deferred Tax Liabilities (Net)	11407	10619

As a matter of prudence and in the absence of virtual certainty the company has not recognised Deffered Tax Assets of Rs. 31,435 Lacs on the unabsorbed depreciation/carry forward losses of Rs. 1,01,732 Lacs.

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

	As at December 31, 2012	As at June 30, 2011
Deferred Government Grant	59	68
Total	59	68

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

	As at December 31, 2012	As at June 30, 2011
Leave Encashment	28	43
Total	28	43

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

	As at December 31, 2012	As at June 30, 2011
Working Capital Loans (Secured)		
From Banks	97289	149533
Short Term Corporate Loan (Secured)		
From Others	9973	10208
Total	107262	159741

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	June'2011 to Dec 31, 2012
	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	
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 quaterly 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 quaterly 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 quaterly 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 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	8700	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	
	Bank 3	43218				NIL	NIL	
	Bank 9	9082				NIL	NIL	
	Bank 1	11867				NIL	NIL	
	Bank 2	12614				NIL	NIL	
	Bank 11	11807				NIL	NIL	

Funded Interest Term Loan-II	Bank 3	9491	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	47.94	Dec. 12	
	Bank 1	5065				NIL	49.91	Nov. 12-Dec.12	
	Bank 6	895				NIL	8.67	Nov. 12-Dec.12	
	Bank 7	502				NIL	4.90	Nov. 12-Dec.12	
	Bank 8	1062				NIL	9.78	Nov. 12-Dec.12	
	Bank 4	3071				NIL	25.22	Nov. 12-Dec.12	
	Bank 9	1856				NIL	NIL		
	Bank 10	2462				NIL	22.34	Nov. 12-Dec.12	
	Bank 2	3505				NIL	33.77	Nov. 12-Dec.12	
	Bank 11	1972				NIL	19.15	Nov. 12-Dec.12	
	Bank 12	293				NIL	2.66	Nov. 12-Dec.12	
	Application Money: 1% Compulsorily Convertible Debentures (CCD's)	Bank 3				4928	1% p.a.	(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 the Wind Mill Assets and the Haldia Unit Assets.	The CCDs are compulsorily convertible into equity at the end of 18 months from the date of allotment at a SEBI determined price
Bank 1		4148	NIL	6.93	Nov. 12-Dec. 12				
Bank 6		1355	NIL	6.75	July. 12-Dec. 12				
Bank 7		750	NIL	5.63	April 12-Dec. 12				
Bank 8		1503	NIL	2.50	Nov. 12-Dec. 12				
Bank 4		2014	NIL	3.33	Nov. 12-Dec. 12				
Bank 9		695	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.				
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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	-

Loan Disclosure As on 30.06.11

Bank Name	Primary Security	Intt. Rate	Default (Principal)	Default (Principal)	Period of	No. of Installment
Bank 3	Exclusive charge on WTG	12.50%	250	40	April 2011 to June 2011	28 Equal Quarterly Installment
Bank 1	Exclusive charge on WTG	13.25%			Jan 2011 - June 2011	28 Quarterly Installment
Bank 2		14.50%				28 Quarterly Installment
Bank 5		Libor+2.58%	347	36		10 semi annual Installment
Bank 4		12.75%	322	150		28 semi annual Installment
Bank 4		12.75%	51	7		24 Equal Quarterly Installment
Bank 3	First Pari Passu charge on entire Fixed Assets of the company(excluding WTG & Haldia Plant)	12.50%	50	3	April 2011 to June 2011	20 Equal Quarterly Installment
Bank 3		12.50%	521	86	April 2011 to June 2011	24 Equal Quarterly Installment
Bank 9	Exclusive charge on Haldia Plant	15.25%	450.00	45.00	April 2011 to June 2011	16 Equal Quarterly Installment
Bank 4	First charge on specific asset i.e. equipments to be purchased out of banks term loan	12.75%	96	63	April 2011 to June 2011	24 Equal Quarterly Installment
Bank 6	First Pari Passu charge on entire Fixed Assets of the company	12.50%	-	209	May 2011 to June 2011	10 Quarterly Installment
Bank 1		12.50%	-	40	Jun-11	10 Quarterly Installment
Bank 1		12.50%				10 Quarterly Installment
Bank 7		12.47%	-	51	Jun-11	10 Quarterly Installment
Bank 8		12.50%	-	58	Jun-11	10 Quarterly Installment
Body Corporate 1	First Pari Passu charge on entire Fixed Assets of the company(excluding WTG & Haldia Plant)	13.00%	-	447	Feb 2011- June 2011	19 Equal Quarterly Installment
Body Corporate 2	First Pari Passu charge on entire Fixed Assets of the company(excluding WTG & Haldia Plant)	SBR less 3.5%				Single Repayment

Bank 3	First Pari passu charge on the entire current assets of the company,along with other members of working capital consortium. And 2nd Parri Passu charge on the entire fixed assets of the company except the assets created for WTG,along with other members of working capital consortium for the working capital facilities.	12.50%				
Bank 10		12.75%				
Bank 1		13.00%				
Bank 9		11.25%				
Bank 2		15.00%				
Bank 11		12.50%				
Bank 4	Hypothecation of all stocks, receivables, consumable stores and other current assets to be created out of this limit	12.00%				

(Rs. in Lacs)

Note 8 : Trade Payables

	As at December 31, 2012	As at June 30, 2011
Micro Small and Medium Enterprises	260	216
Other Trade Payables	21026	56390
Total	21286	56606

(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.

(Rs. in Lacs)

	As at December 31, 2012	As at June 30, 2011
The Principal amount and interest due thereon remaining unpaid to any supplier:		
Principal	134	168
Interest	65	20
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	13	17
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.	48	12
The amount of interest accrued and remaining unpaid at the end of each accounting year.	126	48

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

	As at December 31, 2012	As at June 30, 2011
Current Maturities of Long Term Borrowings	36851	16313
Interest Payable	6146	536
Unclaimed Dividend Account	43	56
Unpaid Dividend	366	371
Dividend Distribution Tax	122	122
Security Deposit from Customers and Suppliers	5	61
Other Payables		
Outstanding Indirect Expenses	605	949
Advances From Customers	2618	1435
Overdrawn Bank Balance	20	114
Statutory Liabilities	1867	667
Payable for Capital Goods	1398	1341
Other Payables	832	775
Interest on Dividend	58	18
Interest on Dividend Distribution Tax	33	11
Deferred Government Grant	6	6
Total	50971	22776

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

	As at December 31, 2012	As at June 30, 2011
Provision for Employee Benefits	41	122
Others		
Provision for Tax (P.Y. net off advance Tax of Rs. 7685 Lacs)	-	129
Total	41	251

Note 11 : Fixed Assets and Depreciation Chart

(Rs. in Lacs)

Description of Assets	Gross Block			Depreciation/Amortisation			Net Block			
	As on 1.7.2011	Additional during period	Deduction during the period	Total as on 31.12.2012	As on 1.7.2011	Additional during period	Deduction during the period	Total as on 31.12.2012	As on 31.12.2012	As on 1.7.2011
Tangible										
WINDMILLS	41849	-	-	41849	6326	3320	-	9646	32202	35524
LAND FREEHOLD	1900	-	-	1900	-	-	-	-	1900	1900
LAND LEASEHOLD	283	1	-	284	37	18	-	55	229	246
BUILDING	20189	191	-	20380	2024	1068	-	3093	17288	18165
PLANT AND MACHINERY	45686	1231	23	46893	7088	3916	17	10986	35907	38600
ELECTRIC INSTALLATION	9042	5	-	9047	1377	691	-	2069	6979	7665
VEHICLE	591	-	38	552	357	83	20	420	132	231
FURNITURE AND FIXTURE	848	4	-	851	405	121	-	526	325	442
OFFICE EQUIPMENT	1567	15	16	1565	876	205	8	1073	492	690
UTILITIES	3387	-	-	3387	426	65	-	491	2896	2961
COMPUTER SOFTWARE	210	7	-	218	210	7	-	218	-	-
Intangible										
GOODWILL	101	-	-	101	48	53	-	101	-	53
GRAND TOTAL	125652	1453	78	127027	19175	9549	45	28679	98349	106477
PREVIOUS PERIOD	117378	8302	28	125652	11178	8007	8	19175	106477	106199

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

	As at December 31, 2012	As at June 30, 2011
Other Investment		
Investment in Subsidiary		
K. S. Natural Resources Pte. Ltd. Singapore (100% Subsidiary)	22012	21326
6,75,44,228 Equity Shares (June 30, 2011 : 6,56,79,859) @ SGD 1/- each fully paid up		
Less: Provision for Diminution in value of investment	6501	-
Total	15511	21326

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

	As at December 31, 2012	As at June 30, 2011
Capital Advances		
Unsecured, Considered -Good	3076	3210
(A)	3076	3210
Security Deposits		
Unsecured, Considered - Good	456	476
- Doubtful	1	0
Less : Provision for doubtful Advances	1	0
(B)	456	476
Loan & Advance to Staff		
Unsecured, Considered - Good	55	68
- Doubtful	6	
Less : Provision for doubtful Advances	6	
(C)	55	68
Others		
Advance Tax (Advance Tax of Rs. 8469 Lacs net off with Provision for Tax of Rs. 7847 Lacs)	622	-
(D)	622	
Total	4209	3754

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

	As at December 31, 2012	As at June 30, 2011
Sales Tax Refund Receivables	324	1142
Fixed Deposit (Maturity more than 12 months)	11	-
Total	335	1142

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

	As at December 31, 2012	As at June 30, 2011
Raw Materials (net off value of obsolete stock)	75377	126412
Work in Progress	-	744
Finished Goods (net off value of obsolete stock)	26020	40611
Packing Materials	741	1978
Stores and Spares	1119	1329
By Product	356	519
Total	103613	171592

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

	As at December 31, 2012	As at June 30, 2011
Exceeding Six Months from the date they become payable		
Unsecured considered - Good	17172	626
- Doubtful	47458	528
Less : Provision for doubtful debts	47458	528
Total (A)	17172	626
Less than Six Months from the date they become payable		
Others Unsecured considered - Good	59791	94389
- Doubtful	4087	-
Less : Provision for doubtful debts	4087	-
Total (B)	59791	94389
Total (A+B)	76962	95015

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

	As at December 31, 2012	As at June 30, 2011
Cash and Cash Equivalents		
Cash on Hand	97	180
Other Bank Balances		
Balances with Banks	333	469
Fixed Deposits (Maturity More than 12 Months)	2137	10233
Unclaimed Dividend	43	56
Total	2610	10938

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

	As at December 31, 2012	As at June 30, 2011
Fixed deposits under lien with bank for Bank Guarantees, Letter of Credit & Others.	13	10222

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

	As at December 31, 2012	As at June 30, 2011
Advances recoverable in cash or kind		
Advances to Suppliers - Good	13670	9228
- Doubtful	697	15
Less Provision for doubtful advances	697	15
	13670	9228
Prepaid Expenses	734	809
Advance to Staff	80	73
Advance for Expenses or others	104	180
(A)	14588	10290
Balance with Revenue Authorities		
VAT Credit Receivable	469	600
Excise and Service tax Refundable	35	45
(B)	504	645
Loans and Advances to Related Parties (Subsidiary)		
Unsecured, Considered Good		
Loan to K.S. SDN BHD.	1211	2049
(C)	1211	2049
Total	(A+B+C)	12984

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

	As at December 31, 2012	As at June 30, 2011
Windmills Income and Claim Receivables	383	741
Less : Provision for Doubtful Claims	238	-
	145	741
Export Benefit Receivables	43	195
Insurance Claim Receivables	175	167
Interest Refundable/Receivables	1029	412
Misc Current Assets	6	395
Sales Tax Refund Receivables	3665	2752
Total	5063	4661

K. S. OILS LIMITED**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 December 31, 2012	For the period ended on June 30, 2011
Domestic Sales (Including highseas sales)	357529	514252
Export Sales	557	9698
Sales against 'H' form	23660	36876
Less: Provision on current period sales(refer note no 28 A)	35741	-
Other Operating Revenues	584	2009
Sub-Total	346589	562835
Less: Excise Duty	236	284
Total	346353	562551

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Interest Income	850	1172
Profit on sale of Fixed Asset	8	52
Misc Income	198	111
Total	1056	1335

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Raw Materials		
Opening Stock	127156	134502
Add : Purchase during the period	318279	529044
Less : Closing Stock	75377	127156
	370058	536390
Less: Cost of goods traded	56324	49890
Less : Value of obsolete stock w/o (refer note 28)	3751	-
Net cost of material consumed	309983	486500

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Opening Stock		
Finished Goods	40611	33145
By Products	519	196
Packing Material	1978	3040
Total (A)	43108	36381
Closing Stock		
Finished Goods	26020	40611
By Product	356	519
Packing Material	741	1978
Total (B)	27117	43108
(Increase) / Decrease in Inventory (A-B)	15991	(6727)
Less : Value of obsolete stock w/o (refer note 28)	2585	-
(Increase) / Decrease in Inventory	13406	(6727)

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Salaries and Wages	2530	3190
Contributions to Provident and Other Funds	100	168
Staff Welfare Expenses	189	294
Total	2819	3652

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Interest Expense	43260	31175
Interest on income tax	32	68
Other Borrowing Costs	8	79
Bank Charges	328	1899
Foreign Currency Transaction Loss	526	744
Total	44154	33965

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Depreciation on Fixed Assets	9549	8007
Total	9549	8007

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Consumption of Stores and Spare Parts	238	622
Power and Fuel	4403	4702
Labour Charges	441	950
Other Manufacturing Expenses	1002	1853
Rent	953	2207
Repairs to Buildings	50	111
Repairs to Machinery	255	959

Insurance	300	385
Windmills Expenses	1121	745
Windmills Claims written off	377	-
Agriculture Expenses	71	101
Provision For Doubtful debts	-	221
Rates and Taxes, excluding Taxes on Income	401	922
Transport Loading and Unloading Charges	2276	4653
Packing Expenses	59	123
Advertisement and Sales Promotion Expenses	357	1281
Legal and Professional Fees	1310	781
Other Repairs	140	256
Wealth Tax	1	5
Charity and Donation	2	8
Travelling & Conveyance	388	779
Audit Fees	90	61
Misc Expenditure	3900	1331
Total	18135	23056

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Provision For Bad and doubtful debts & loan & advances	16432	-
Provision for Diminution in value of investment	6501	-
Value of obsolete stock written off (Raw Material and Finished Goods)	6336	-
Total	29269	-

(A) As shown in note 20, provisions for doubtful debts aggregating to Rs. 35741 lacs, pertains to the sales of the current period. Hence, the same is netted off from the sales of current period, which is also a part of an exceptional item.

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

- 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.

29.4 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 Realisable 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.

29.5 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 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 mark 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 are disclosed under capital work in progress.

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 than 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 December 31, 2012	As at June 30, 2011
a) Claims against the Company not acknowledged as debts in respect of		
i) Excise & custom duty matters under dispute ¹	52	52
ii) Commercial Taxes matter under dispute	664	114
iii) Income Tax	6	20
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1653	1913
c) Bank Gurantee	147	139
d) Export Promotion against Capital Goods.	276	276
e) Other Commitment		
i) Preference Dividend	63	-
ii) Dividend Distribution Tax	11	-
iii) Premium payable on Redemption of Cumulative Redeemable Preference Shares in June 2021	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 year 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.126 Lacs and Rs.47 Lacs are deposited as appeal advance as on Dec 31, 2012 and June 30, 2011 respectively against Excise & Custom matters and Sales tax matters.
- 2 payment of redemption premium @ 65% of preference share (face value of Rs. 10/- each) is subject to the condition to that the same is being paid out from the cash balance is available with Company in excess of Rs. 7500 Lacs.
- 3 Short Term Loans and advances includes an amount of C.Y 39.05 Lacs being the excess of contractual remuneration paid to the Chairman and Managing Director and Director over the maximum remuneration payable under Schedule XIII of The Companies Act, 1956. Such amount has since been recovered from them.

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. The order has no material impact. However Company has offered additional income of Rs. 625 Lacs in its application, towards which it has paid taxes of Rs. 184 Lacs for settlement of cases. The effects arising out of settlement order will be given in the accounts in the next accounting period.

Note 32 : Corporate Debt Restructuring:

- a) During the financial year under consideration, mainly due to the reasons of large scale expansion/

modernization, untied fund based working capital limit and investments in overseas palm plantations, the Company started facing liquidity crunch and it was not able to fulfil its repayment obligations in respect of its borrowings from banks and financial institutions. In order to overcome the debt repayment obligations, the Company made a reference to the Corporate Debt Restructuring (CDR) cell for restructuring of the debts of the Company through CDR Mechanism. The final 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. CDR comprise of restructuring of loan, extension of tenure of loans, reduction of rate of interest and infusion of Rs.15,000 Lacs promoters contribution.

- b) Out of the required amount of funds to be infused by the promoters as at Balance Sheet date, promoters have been able to infuse Rs. 5000 Lacs. Subsequent to the balance sheet date and at the request of the Company, the CDR Empowered Group has extended the time for balance contribution of Rs. 10,000 Lacs till 30th September, 2013.

However, pending this the Company has already taken credit for the lower rate of interest available in the CDR scheme. Consequently the interest charged to the profit and loss account for the period is lower by Rs. 6,800 Lacs as compared with the interest at the original contracted rates.

- c) Subsequent to the balance sheet date, the Company has not been able to service its repayment obligations as sanctioned under CDR scheme and there have been delays and defaults. Such delays and defaults could have consequential impact on the financial statements in terms of approved CDR Scheme, which is not presently ascertainable.

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. The license is under renewal.

Note 34 : Employees Stock Option Plan

Company had 125 Lacs no. of shares in ESOP scheme. As 44 Lacs no of share shares were not granted by the Company to its employees under such scheme and even after considering its cosistant lower market price, Company had decided during the period under consideration to cancel its ESOP scheme. Accordingly all such shares under ESOP scheme are now cancelled.

Further, 76 Lacs no of shares were granted by the Company in such schemes to its employees. In all such cases the Company has received a waiver letter from its employees. Accordingly all such allotments are also cancelled pursuant to the cancellation of the scheme.

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 December 31, 2012 (i.e. covering eighteen months period) in September 2012 as per decision of its board. The inventory verification was undertaken towards end December 2012 and early January 2013 by an Independent Firm of Chartered Accountants appointed by lead Bank, who roll forwarded inventory as on October 31, 2012. The discrepancy found by stock auditor amounted to Rs. 13,263 Lacs. Due to this, the management of the Company did not undertake any separate physical verification of inventory and statutory auditors were not able to participate in observing physical verification of inventory.

Note 37 : Going Concern

During the financial period the Company has incurred loss of Rs.1,37,203 Lacs and its net worth is 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 non-core assets for reducing debt burden. Besides, CDR package sanctioned by lenders, the Company is actively pursuing option of re-organization of existing business and/or enter into some strategic alliance or introduce 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, 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. 2,030 Lacs, balance amount of Rs 3,035 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 366 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 of the Companies Act, 1956.

Note 40 : AGM and Results:

The Company has extended current accounting period to eighteen months ending on Dec 31, 2012. Pursuant to which, according to the provision of the Companies Act, the Company was required to hold an AGM within the three months from the close of the financial year. However, as most of the key personnel's have left the Company during this period and considering the large period of the financial year and paucity of time, the company was not able to get its accounts audited within stipulated time and was unable to produce financial statement in the AGM.

Note 41 : Derivatives

- a) Derivative Instruments

There are no year-end foreign currency exposures that have been hedged by derivative instrument

- b) The year-end 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 December 31, 2012		As at June 30, 2011	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Export of Goods	Nil	Nil	252060	113
Loan receivable from subsidiaries (MYR)	6588045	1211	13704885	2049
Other Loan Receivables (MYR)	242700	45	242700	36

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

	As at December 31, 2012		As at June 30, 2011	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Import of Goods and Service (\$)	22109	12	18903327	8454
Interest Payable (\$)	342195	181	232240	104
Loans Payable (\$)	5231250	2866	5231250	2339

iii) Bank Balances in foreign Currency

Particulars	As at December 31, 2012		As at June 30, 2011	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Bank Balance (USD)	Nil	Nil	(136)	(@)
Total	Nil	Nil	(136)	(@)

@ denotes amount less than Rs. 50,000

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

Name of Company	Maximum Outstanding during 2011-12 (Rs. in Lacs)	Maximum Outstanding during 2010-11 (Rs. in Lacs)	Balance as at December 31, 2012 (Rs. in Lacs)	Balance as at June 30, 2011 (Rs. in Lacs)
KS S.D.N BHD	2584	2049	1211	2049
Total	2584	2049	1211	2049

Note 43 : Government Grants:**a) Non Monetary:***(Rs. in Lacs)*

Particulars	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Depreciation on the assets funded by Government Grant	9	7
Income recognized from Government Grants	9	7

b) Monetary :*(Rs. in Lacs)*

Particulars	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Income recognized from Government Grants	351	1157

Note 44 : Auditors Remuneration*(Rs. in Lacs)*

Particulars	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Audit Fees (including Limited Review and Consolidation fees)	71	50
Certification Work	10	2
Reimbursement of Expenses	@	@
Service Tax on the Fees and Certification	9	5

@ denotes amount less than Rs. 50,000.

Note 45 : Segment Disclosure

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

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

	For the year ended on December 31, 2012	For the year ended on June 30,2011
(1) Provident Fund	84	102
(2) State defined contribution plans (Employers' Contribution to Employees' State Insurance)	16	14
Total	100	116

ii) Defined Benefit Plan:

1. Gratuity (Funded)
- 2 . 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)

Particulars	For the period ended on December 31, 2012	For the period ended on June 30, 2011
1. Assumptions		
Discount Rate	8%	8%
Salary Escalation (18 Months/12 Months)	5%	8%
Salary Escalation (For 3 Months of 2010-11)	-	6%
2. Table showing changes in present value of obligations		
Present value of obligations as at beginning of period	126	123
Interest cost	15	14
Current service cost	27	69
Benefits paid	7	(5)
Actuarial (gain)/loss on obligations	(76)	(74)
Present value of obligations as at end of period	85	126
3. Table showing changes in the fair value of plan assets		
Fair value plan assets at beginning of period	140	129
Expected return on plan assets	17	14
Contributions	10	1
Benefits paid	7	(5)
Actuarial (gain)/loss on obligations	(9)	-
Fair value of plan assets at the end of period	151	140
4. Table showing fair value of plan assets		
Fair value plan assets at beginning of period	140	129
Actual return on plan assets	17	14
Contributions	10	1
Benefits paid	(7)	(5)
Fair value of plan assets at the end of period	151	140
Funded status	66	14
Excess of actual over estimated return on plan assets	Nil	Nil
5. Actuarial Gain/Loss recognized		
Actuarial gain/(loss) for the period – Obligations	76	74

Actuarial (gain)/loss for the period –plan assets	(9)	-
Total (gain)/loss for the period	(85)	(74)
Actuarial (gain)/loss recognized in the period	(85)	(74)
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	85	126
Fair value of plan assets as at the end of the period	151	140
Funded status	66	36
Net assets (liability) recognized in balance sheet	66	63
7. Expenses recognized in statement of profit and loss		
Current service cost	28	69
Interest cost	15	14
Expected return on plan assets	(17)	(14)
Net actuarial (gain)/loss recognized in the period	(67)	(74)
Expenses recognized in statement of profit and loss	(42)	(6)

- **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)

Particulars	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Discount Rate (Per annum)	8%	8%
Rate of increase in Compensation levels	5%	5%
Rate of Return on Plan Assets	Nil	Nil
Expected Avg. remaining working lives of employees in no. of Period	21	23
1. Changes in present Value of Obligation		
Present value of Obligation as at beginning of the Period	46	36
Interest Cost	6	4
Past Service Cost	-	-
Current Service Cost	6	25
Contributions by Plan participants	-	-
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-

Benefits Paid	-	-
Actuarial(Gains)/Loss	(29)	(19)
Present value of Obligation as at the end of the Period	28	46
2. Amounts recognized in the Balance Sheet		
Present Value of Obligation as at the end of the Period	28	46
Fair value of Plan Assets as at the end of the Period	NA	NA
(Asset)/ Liability recognized in the Balance Sheet	28	46
3. Expenses recognized in the Profit and Loss Account		
Current Service Cost	6	25
Past Service Cost	-	-
Interest Cost	6	4
Expected Return on Plan Assets	-	-
Curtailement Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Net Actuarial(Gain)/Loss	(29)	(19)
Employees' Contribution	-	-
Total Expenses recognized in the statement of Profit and Loss	(18)	9

Amount of Current and Previous four years as follows

(Rs. in Lacs)

	Dec 31, 2012	June 30, 2011	Mar 31, 2010	Mar 31, 2009	Mar 31, 2008
Gratuity					
Defined Benefit Obligation	85	126	109	49	26
Plan Assets	151	140	129	91	27
Surplus or Deficit	(66)	(14)	(20)	(42)	(1)
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**

Subsidiary	K.S. Natural Resources Pte Ltd.
Fellow Subsidiaries	K.S.Oils SDN.BHD
	K.S.Agri Resources Pte Ltd.
	PT Buana Mega Sentosa Plantation.
	PT Mega Artha Peresada
	PT Biodiesel Jambi
	PT Tunas Bersusun Abadi
	PT Luvang Urip
Enterprises over which Key Managerial Personnel exercises significant influence	K.S.Food Products
	K.S Enterprises
	Ramesh Chand Sourabh Kumar HUF
	Sourabh Garg HUF
	Neiil Education Pvt. Ltd.
	KS Oils Ltd. Group Gratuity Scheme
	Garg Family Trust
Key Managerial Personnel on the Board	
Mr.Ramesh Chand Garg	Chairman and Managing Director (w.e.f. Sep 26,2011) (CMD)
Mr.Sanjay Agarwal	Managing Director (Till July 23, 2011)
Mr. Sourabh Garg	Non Executive Director (w.e.f.Sept. 12, 2011)
Mr. Davesh Agarwal	Whole time Director (w.e.f. January 1, 2012)
Relatives of Key Managerial Personnel	
Mrs. Sheela Devi Garg	Spouse of the CMD
Mrs. Meeta Garg	Spouse of Director (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*(Rs. in Lacs)*

Particulars	Volume of transaction during the period ended December 31, 2012	Volume of transaction during the period ended June 30, 2011	As at Dec. 31, 2012 O/S Receivable	As at June 30 2011 O/S Receivable	As at Dec. 31 2012 O/S Payable	As at June 30 2011 O/S Payable
Loan Given/ (Received Back) - Net Of ERF						
Subsidiaries						
K. S. Oils SDN. BHD, Malaysia	(992)	142	1211	1469		
Total	(992)	142	1211	1469		
Loan Received/ (Given Back)						
Key Management Personnel						
Ramesh Chand Garg	5000				2640	
Total	5000				2640	
Investment						
K.S Natural Resources Pte. Ltd, Singapore	290	2124	22012	21722		
Total	290	2124	22012	21722		
Interest Income From Subsidiary						
K.S. Oils SDN. BHD, Malaysia	354	258	181	580		
Total	354	258	181	580		
Amount due to subsidiaries						
K.S Natural Resources Pte. Ltd, Singapore	5	2	3			2
Total	5	2	3			2
Remuneration *						
Key Management Personnel						
Mr. Ramesh Chand Garg	36	60	32			4

Mr. Sanjay Agarwal	3	53			-	-
Mr. Sourabh Garg	5	45	2			-
Mr. Davesh Agarwal	24	-			3	-
Total	68	158	34		3	4
Dividend						
Key Management Personnel						
Mr. Ramesh Chand Garg	-	108			108	108
Mr. Sourabh Garg	-	26			26	26
Total	-	134			134	134
Relative of Key Management Personnel						
Mrs. Meeta Garg	-	38			38	38
Mrs. Sheela Devi Garg	-	50			50	50
Mr. Shyam Kumar Garg	-				-	
Mr. Om Prakash Garg	-				-	
Mr. Mohan Lal Garg	-				-	
Total	-	89			89	89
Other Related Parties						
Ramesh Chand Sourabh Kumar HUF	-	30			30	30
Sourabh Garg HUF	-	5			5	5
Total	-	35			35	35
Amount Received against Convertible Share Warrants						
Relative of Key Management Personnel						
Mrs. Sheela Devi Garg	-	904	-	-	-	
Mrs. Meeta Garg	-	3369	-	-	-	
Total		4274				
Rent Paid						
Key Management Personnel						
Mr. Ramesh Chand Garg	31	65			30	22

Relative of Key Management Personnel						
Mrs. Meeta Garg	-	5			-	
Mrs. Sheela Devi Garg	-	12			4	6
Total	31	81			34	28
Other Related Parties						
K.S. Enterprises	12	11			11	10
K.S. Food Products	12	11			14	3
Garg Family Trust	30	11			14	9
Total	54	33			39	23
Reimbursement of Expenses						
Other Related Parties						
Neiil Education P.Ltd.	13	39				13
Total	13	39				13
Conversion Of Equity Share Warrants						
Relative of Key Management Personnel						
Mrs. Sheela Devi Garg	-	3737				
Mrs. Meeta Garg	-	5235				
Total	-	8971				
Security Deposit Given						
Key Management Personnel						
Mr. Ramesh Chand Garg	20	-	4	23		
Contribution for Gratuity						
KS Oils Ltd. Group Gratuity Scheme	10	5				

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

Loan amount of Rs 2,51,091 Lacs (previous year 2,30,686 Lacs) is secured by Personal Guarantee from Mr. Ramesh Chandra Garag and Mr. Sourabh Garg to all the lenders.

Note 48 : Operating Lease

Future minimum lease payments under non-cancelable operating leases are as under: (Rs. in Lacs)

	As at December 31, 2012	As at June 30, 2011
Rent payable for 1 year	64	157
Rent payable for 1 to 5 years	103	162
Rent payable for 5 years and above	25	35

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 250 Lacs (previous year Rs. 407 Lacs).

The Company's significant leasing arrangements are in respect of plant and machinery, storage tank and factory premises taken on lease for manufacturing activities at Kota and Ratlam. The arrangements range between 11 months and 10 years generally and are usually renewable by mutual consent of both parties or mutually agreeable terms.

Note 49 : Earning Per Share (EPS)

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 on December 31, 2012	For the period ended on June 30, 2011
Loss after tax	(137203)	(35495)
Less: Preference Dividend	63	-
Less: Dividend Distribution Tax	11	-
Less: Interest on Dividend	40	-
Less : Interest on Dividend Distribution Tax	22	-
Loss Available for Equity Share Holders	(137338)	(35495)
Weighted average number of equity shares for Basic/Diluted EPS (no. of shares in Lacs)	4418	4156
Basic/Diluted earnings per share (in rupees)	(31.09)	(8.54)
Face value of share (in rupees)	1	1

Note 50: Discontinuing Operation as per AS-24

Company is in the process of restructuring its business by hive off its non-core assets for reducing debt burden. For this, Company will seek permission of its shareholders and as soon as approval is received, the process of sale off of windmill division will be started. In accordance with the disclosure requirement of Accounting Standard - 24 “Discontinuing Operations”, following disclosures are made as under:

1. Company had several windmills in the various states of the country through which it generates power.
2. Operations of windmill activity are shown as a part of Business Segment in accordance with the requirement of AS – 17 “Segment Reporting”.
3. Pursuant to the acceptance of CDR package by the Company, there was a requirement to hive off the windmill segment.
4. In accordance with the requirement of CDR package, these windmills are required to be sold off on priority basis. Hence, sale of such assets are expected to get through by the next financial year.
5. Carrying amount of fixed assets is shown under note no-11 “Fixed assets” and for assets and liabilities (excluding secured loan) refer note no. 43 “Segment reporting” under consolidated financial statement.

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

	For the period ended on December 31, 2012		For the period ended on June 30, 2011	
	Consumption (in Lacs)	% of Total Consumption	Consumption (in Lacs)	% of Total Consumption
1) Value of Raw Material Consumed				
Total Consumption	309983	100	486500	100
Imported	21073	7	48557	10
Indigenous	288910	93	437943	90
2) Value of Stores and Spares Consumed				
Total Consumption	238	100	622	100
Imported	-	-	38	6
Indigenous	238	100	584	94

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

Description	Unit	For the period ended as on December 31, 2012		For the period ended as on June 30, 2011	
		Qty	Value in Rs. (Lacs)	Qty	Value in Rs. (Lacs)
Opening Stock					
Oil	M.T.	76129	38159	63467	28772
DOC	M.T.	15847	2285	32936	3759
Vanaspati Ghee	M.T.	382	167	1687	614
By Product/Packing Material/Trading Goods			2497		3236
Production					
Oil	M.T.	252345		477015	
DOC	M.T.	314073		438960	
Vanaspati Ghee	M.T.	3271		11152	
Power	KWH	200910809		158928285	
Cost of Material Consumed					
Mustard Seed	M.T.	482184	139594	708610	170507

Soya been Seed	M.T.	289634	74776	173823	39793
Sunflower Seed	M.T.	1020	300	-	-
Oil	M.T.	73140	50639	258200	149628
DOC	M.T.	601	104	967	130
Vanaspati Ghee	M.T.	0		0	0
Mahua Seed	M.T.	1442	366		
Crude Oil for Refinery	M.T.	109017	32179	266864	93094
Crude Oil for Vanaspati	M.T.	2562	-24	6430	880
Tin Plate	M.T.	580	333	2977	1578
Oil Cake	M.T.	74918	4004	317704	4265
Packing Material/Other Expenses			7428		25715
HDPE			284		910
			309983		486500
Sale					
Oil	M.T.	360149	230716	722553	419341
DOC	M.T.	314421	57060	457016	59373
Vanaspati Ghee	M.T.	3001	1701	12457	6056
Power	KWH	187670759	6051	157995594	5468
By Product/Packing Material/Trading Goods			85982		70304
Closing Stock					
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

Note 53 : CIF/CFR Value of Imports*(Rs. in Lacs)*

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Raw Materials/ Traded Goods	-	19919
Stores & Spares	-	38
Capital goods	-	345

Note 54 : Earnings in Foreign Currency*(Rs. in Lacs)*

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
On export of goods calculated on FOB basis	91	9609
Interest on loan to subsidiaries	354	287

Note 55 : Expenditure in Foreign Currency*(Rs. in Lacs)*

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Interest	165	500
Professional fees	4	14
Others	7	39

Note 56 : Dividend to NRI / OCB*(Rs. in Lacs)*

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Dividend	24	113
Number of Shareholders	1144	532
Total Number of Shares (In No.)	84537969	62776696

Note 57 : Comparatives Figures

- 1) The current financial statements is prepared for eighteen months period ended Dec 31, 2012, hence figures for the same are not comparable with that of previous financial statements, which was prepared for the fifteen months period ended june 30, 2011.
- 2) The previous financial statements for the period ended June 30, 2011 had been prepared as per then applicable schedule VI of the Companies Act, 1956. consequent to the notification no. F.No.2/6/2008-C.L-V dated March 30, 2011 Of revised schedule VI under Companies Act, 1956, the current financial statement for the period ended Dec 31, 2012 are prepared as per revised schedule VI. Accordingly previous period figures have also been reclassified/rearranged to confirm to current periods classifications.

For and on behalf of Board of Directors

K. S. OILS LIMITED

Sd/-

Ramesh Chand Garg

Chairman & Managing Director

Sd/-

Davesh Agarwal

Director & CFO

Sd/-

Sandeep Kumar

Company Secretary

Place: Morena

Date: July 26, 2013

Auditor's Report on the Consolidated Financial Statements

To the Board of Directors of K S Oils Limited

1. We have audited the attached Consolidated Balance Sheet of **K S Oils Limited** (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as at December 31, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company’s Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in 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 standards on account of unavailability of adequate documents/information*. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. *As regards trade receivables, inventory, costs, production margin and sales price of goods sold, we state that:*
 - a) *As per the report of the Independent Chartered Accountant dated 17th March, 2013 (for the period up to 30th October 2012) appointed by the lead bank, trade receivable aggregating Rs. 42212 Lacs have been provided for bad and doubtful debts in addition to the amounts aggregating Rs. 9333 Lacs which was already provided by the management. However trade receivables from a party are also adjusted against trade payables to other parties without any contractual arrangement between such parties and significant amounts of provision for bad and doubtful debts are being provided for, though they were confirmed by the parties earlier.*
 - b) *Position of inventory is as per report of Independent Chartered Accountants appointed by the lead bank as more detailed in Note 35. Consequently the Company has made provision of Rs. 13263 Lacs for slow moving items and for variance noticed during physical verification. As explained in the Note, we could not observe-inventory count as required under SA 501 (Revised)*

'Audit Evidence-Specific Considerations 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.*
4. *In the absence of details for testing the impairment of certain assets viz. Production plants which were not operational/fully operational during the period and immature plantation, we are unable to state whether provision, if any, is required to be made in this regard.*
5. *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.*
6. *Loans and Advances include advances aggregating Rs. 14367 Lacs given to some of the suppliers which include advances Rs.3863 Lacs outstanding for more than a year. Relevant documents and confirmations of balances are yet to be obtained from all of them.*
7. *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 schedule VI.*
8. *With regard to preparation of financial statements on a going concern assumption, the Company has incurred a net loss of Rs. 134364 Lacs during the eighteen months period ended December 31, 2012 and the Company's net worth is also eroded substantially. The Company's ability to continue as a going concern is dependent upon the factors mentioned in Note 36.*
9. *We did not audit the consolidated financial statements of a subsidiary whose financial statements reflect total assets of Rs. 21851 Lacs as at December 31 2012, total revenue of Rs. 730 Lacs and cash outflow of Rs. 23 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 solely on this management prepared financial statement.*
10. Attention is invited to
- (a) Note no. 29 with regard to certain contingent liabilities, whose impact is not ascertainable.
- (b) Note no.30 with regard to the Companies application to the settlement commission and the order of the settlement commission settling all the cases.
- (c) Note no. 31 with regard to recognition of interest liability at the rates sanctioned under the Corporate Debt Restructuring scheme as against original contracted rates of loan facilities.

- (d) Not no. 38 (a) & (b) with regard to manner of utilization of funds raised through preferential allotment of equity shares in previous year.
- (e) Note no. 39 With regard to the declared dividend balance of Rs. 365 Lacs (including Rs. 260 Lacs due to promoters) which has not been transferred to a separate bank account.
11. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", as notified pursuant to the Companies (Accounting Standard) Rules, 2006 and on the basis of the separate financial statements of KS Oils Limited and its subsidiary.
12. Based on our audit and on consideration of management approved financial statements and on the other financial information of the component, and to the best of our information and according to the explanation given to us, *subject to our comments in paragraphs 2 to 9 above and the resulting effect of all these on the relevant assets and liabilities and the loss for the period*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India
- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2012;
- (b) in the case of the Consolidated statement of Profit and Loss, of the loss for the period ended on that date; and
- (c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

For Haribhakti & Co.

Chartered Accountants

Firm's Registration No.103523W

Sd/-

Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: July 26, 2013

K. S. OILS LIMITED
Consolidated Balance Sheet as at December 31, 2012

(Rs. in Lacs)

	Note No.	As at December 31, 2012	As at June 30, 2011
I EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	1	30580	4254
Reserves and Surplus	2	(21014)	107300
Minority Interest		207	357
		9773	111911
Non Current Liabilities			
Long Term Borrowings	3	129191	67402
Deferred Tax Liabilities (Net)	4	11408	10272
Other Long Term Liabilities	5	59	68
Long Term Provisions	6	28	43
		140686	77785
Current Liabilities			
Short Term Borrowings	7	107262	159741
Trade Payables	8	21344	56812
Other Current Liabilities	9	51005	22802
Short Term Provisions	10	58	344
		179669	239699
Total		330128	429395
II ASSETS			
Non Current Assets			
Fixed Assets			
- Tangible Assets	11	107739	114874
- Intangible Assets	11	-	53
- Capital Work In Progress		2623	3675
- Immature Plantation		7915	6208

		118277	124810
Goodwill on Consolidation as per AS -21		-	325
Long Term Loans and Advances	12	7340	7822
Other Non Current Assets	13	335	1142
		7675	9289
Current Assets			
Inventories	14	103613	171606
Trade Receivables	15	76972	95025
Cash and Bank Balances	16	2673	11024
Short Term Loans and Advances	17	16036	12979
Other Current Assets	18	4882	4662
		204176	295296
Total		330128	429395

Significant Accounting Policies and other notes 28 to 55

As per our report of even date

For and on behalf of Board of Directors

K. S. OILS LIMITED

For HARIBHAKTI & CO.
Chartered Accountants

Sd/-
Ramesh Chand Garg
Chairman & Managing Director

Sd/-
Davesh Agarwal
Director & CFO

Sd/-
Sumant Sakhardande
Partner

Sd/-
Sandeep Kumar
Company Secretary
Place: Morena

Place: Mumbai

Date: July 26, 2013

K. S. OILS LIMITED**Consolidated Statement of Profit and Loss for the period ended on December 31, 2012***(Rs. in Lacs)*

	Note No.	For Period ended on December 31, 2012	For Period ended on June 30, 2011
Revenue from Operations	19	347310	563077
Less : Excise Duty		236	284
Revenue from Operations (Net)		347074	562792
Other Income	20	711	1049
Total Revenue		347785	563841
Expenses			
Cost of Materials Consumed	21	309983	486500
Purchase of Stock in Trade	21	56324	49890
Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	22	13406	(6716)
Employee Benefit Expenses	23	3380	4145
Finance Costs	24	44167	34010
Depreciation and Amortization Expenses	25	9651	8068
Administrative and Other Expenses	26	21290	23798
Total Expenses		458201	599694
Loss before exceptional items and tax		(110416)	(35853)
Exceptional Items	27	22769	-
Loss before tax		(133185)	(35853)
Tax Expense			
Tax Related to previous years		184	-
Mat Credit Reversal		-	406
Deferred Tax	4	1213	615

Loss for the period		(134581)	(36874)
Minority interest		(216)	(77)
Net Loss for the period		(134364)	(36798)
Earnings Per Equity Share			
Basic/Diluted (F.V. of Rs. 1 each)	47	(30.44)	(8.87)

Significant Accounting Policies and other notes 28 to 55

As per our report of even date

For and on behalf of Board of Directors

K. S. OILS LIMITED

For HARIBHAKTI & CO.

Chartered Accountants

Sd/-

Ramesh Chand Garg

Chairman & Managing Director

Sd/-

Davesh Agarwal

Director & CFO

Sd/-

Sumant Sakhardande

Partner

Sd/-

Sandeep Kumar

Company Secretary

Place: Morena

Place: Mumbai

Date: July 26, 2013

K. S. OILS LIMITED
Consolidated Cash Flow Statement for the year ended December 31, 2012

(Rs. in Lacs)

Particulars	2011-12	2010-11
Cash Flow from Operating Activities		
Net (Loss)/Profit for the Period/Year Before Tax	(133184)	(35785)
Share Issue Expenses Writoff	(319)	
Consolidated Goodwill W/o	399	
Depreciation	9651	8068
Interest Received	(505)	(886)
Interest Cost	43260	31198
Depreciation on Government Grant	(9)	(7)
Provision for Doubtful Debts	51943	137
Unrealised Exchange Rate Fluctuation	526	(78)
(Profit)/Loss on Sale of Fixed Assets	255	(47)
Taxes Paid	(784)	(1532)
Impact of FCTR	2634	128
Adjustments		
Decrease/(Increase) in Inventory	67993	168
Decrease/(Increase) in Trade Receivable	(32964)	(72040)
(Decrease)/Increase in Trade Payable and Provisions	(7580)	(3744)
Decrease/(Increase) in Other Receivables & Loans & Advances	(2282)	11722
Net Cash Flow from Operating Activities :: [A]	(966)	(62700)
Cash Flow from Investing Activities		
Purchase of the Fixed Assets	(1464)	(7057)
Sale of Fixed Assets	285	90
Decrease in Capital WIP	1052	979
Share application money paid to Subsidiary pending for allotment of Shares		(395)
(Increase)/Decrease in FD with Schedule Banks	8085	(286)
Interest Received	505	886
Immature Plantation	(1707)	(2206)

Net Cash Flow from Investing Activities :: [B]	6755	(7989)
Cash Flow from Financing Activities		
Proceeds from Issuance of Shares	28437	4274
Proceeds from Borrowings (other than Term Loans)	(52479)	54013
Proceeds from Term Loans	61263	53246
Repayment of Term Loans	-	(11262)
Dividend Paid	(5)	(365)
Interest Paid	(43260)	(31197)
(Increase)/Decrease in unclaimed dividend account	13	(33)
Net Cash Flow from Financing Activities :: [C]	(6031)	68675
Net (Decrease)/Increase in Cash and Cash Equivalents: [A+B+C]	(242)	(2013)
Opening Balance of Cash and Cash Equivalents	735	2748
Closing Balance of Cash and Cash Equivalents	493	735
Notes:		
Cash and Cash Equivalent Includes :-		
Cash in Hand	138	249
Balance with scheduled Banks		
In Current Accounts	355	486
	493	735

As per our report of even date

For and on behalf of Board of Directors

K. S. OILS LIMITED

For HARIBHAKTI & CO.
Chartered Accountants

Sd/-
Ramesh Chand Garg
Chairman & Managing Director

Sd/-
Davesh Agarwal
Director & CFO

Sd/-
Sumant Sakhardande
Partner

Sd/-
Sandeep Kumar
Company Secretary
Place: Morena

Place: Mumbai

Date: July 26, 2013

K. S. OILS LIMITED

Notes referred to in the Balance Sheet are as follows:

Note 1 : Share Capital*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Authorized Capital		
90,00,00,000 (June 30, 2011 : 60,00,00,000) Equity shares of Re 1/-Each	9000	6000
29,85,00,000 (June 30, 2011 : Nil) Preference Share of Rs. 10/- each	29850	
Issued, Subscribed and Paid Up Capital		
45,91,80,037 (June 30, 2011 42,54,12,755) Equity shares of Re 1/- each, fully paid up	4592	4254
25,98,82,735 (June 30, 2011: Nil) 1% Cumulative Redeemable Preference Share @ Rs 10/- each fully paid up and issued against conversion of Loan.	25988	
Total	30580	4254

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

	As at December 31, 2012	As at June 30, 2011
Equity Shares		
No. of Equity Shares at the beginning of reporting period	425412755	408951418
Add: Shares issued during the year	33767282	16461337
Less: Buy Back during the year		
No. of Equity Shares at the end of the reporting period	459180037	425412755

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

	As at December 31, 2012	As at June 30, 2011
Preference Shares		
No. of Preference Shares at the beginning of reporting period	-	-
Add: Shares issued during the period	259882735	-
Less: Redeemed during the period	-	-
No. of Preference Shares at the end of the reporting period	259882735	-

(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 December 31, 2012		As at June 30, 2011	
	No. of Shares	in %	No. of Shares	in %
Mr. Ramesh Chand Garg	51,93,590	1.13	5,14,63,656	12.10
Mrs. Sheela Devi Garg	1,20,61,466	2.63	3,43,88,000	8.08
Baring Private Equity Asia III Mauritius Holding(3) Limited	3,57,04,070	7.78	2,14,79,710	5.05
Citi Bank N.A. New York, Nyadr Deptt.	-	-	4,98,37,710	11.72
Ratha Infrastructure Private Limited	1,75,93,570	3.83	2,49,18,253	5.86
NSR Direct Pe Mauritius LLC	4,03,30,926	8.78	4,03,30,926	9.48

(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 December 31, 2012		As at June 30, 2011	
	No. of Shares	in %	No. of Shares	in %
Andhra Bank	2,18,80,000	8.42	-	-
Axis Bank Limited	5,53,10,000	21.28	-	-
IDBI Bank Limited	1,87,70,000	7.22	-	-
Jammu and Kashmir Bank Limited	2,00,00,000	7.70	-	-
State Bank of India	6,57,02,735	25.28	-	-
State Bank of Mysore	1,80,00,000	6.93	-	-
Central Bank of India	2,66,20,000	10.24	-	-

(e) Share allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding Dec 31, 2012)

9,40,00,000 Equity Shares allotted as fully paid up by way of bonus shares in 2006-07.

(f) 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 Re. 1/- each at a premium of Rs. 6.25 to the QIB's and raised Rs. 2,448.13 lacs.

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

(g) Terms / rights attached to Equity Shares:

- 1 The Company has a single class of equity shares having a par value of Re. 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 balance available with the Company and is in excess of Rs. 7,500 Lacs.

Note 2 : Reserves and Surplus*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Capital Reserve		
Opening Balance	2449	17
Add: Transfer from warrant Forfeiture Account	-	2450
Less: ERF on Share Warrant	-	18
Closing Balance	2449	2449
Securities Premium Account		
Opening Balance	86845	78038
Add: Premium received during the period	2111	8807
Less: Share Issue Exp.	319	-
Closing Balance	88637	86845
General Reserve		
Opening Balance	6578	6578
Less: Amount Transferred to Surplus in statement of Profit & Loss	6578	-
Closing Balance	-	6578
Foreign Currency Translation Reserve		
Opening Balance	648	(74)
Add: Foreign Currency Gain/(Loss) during the period	4320	722
Closing Balance	4968	648
Surplus (Balance in Statement of Profit & Loss)		
Opening Balance	10781	47608
Add: Amount Transferred from General Reserve	6578	-
Less : Net Loss for the period	(134364)	(36798)
Total Profit available for Appropriation	(117006)	10810
Less: Interest on Dividend	(40)	(18)
Less: Interest on Dividend Distribution Tax	(22)	(11)
Closing Balance	(117068)	10781
Total Reserve and Surplus	(21014)	107300

Note 3 : Long Term Borrowings*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Term Loans (Secured)		
-From Banks	118755	58430
-From other parties	7796	8972
Term Loans (Unsecured)		
-Loan From promoters (CMD)	2640	-
Total	129191	67402

Note 4 : Deferred Tax Liabilities (Net)*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Deferred Tax Liabilities		
Opening Deferred Tax Liabilities	10272	9986
Add: Difference between book WDV and WDV as per Income Tax Act, 1961	903	866
Add : Reversal of DTA	233	-
Gross deferred tax liability	11408	10852
Deferred Tax Assets		
as per Section 43B	-	580
Gross Deferred Tax Assets	-	580
Deferred Tax Liabilities (Net)	11408	10272

As a matter of prudence and in the absence of virtual certainty the company has not recognised Deffered Tax Assets of Rs. 31,435 Lacs on the unabsorbed depreciation/carry forward losses of Rs. 1,01,732 Lacs.

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

	As at December 31, 2012	As at June 30, 2011
Deferred Government Grant	59	68
Total	59	68

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

	As at December 31, 2012	As at June 30, 2011
Leave Encashment	28	43
Total	28	43

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

	As at December 31, 2012	As at June 30, 2011
Working Capital Loans (Secured)		
From Banks	97289	149533
Short Term Corporate Loan (Secured)		
From others	9973	10208
Total	107262	159741

Loan Disclosure As on 31.12.12

Type of Loan	Name of Lender	Amount (In Lacs)	Nature of Security	Terms of Repayment	Amount of Default (Principal)	Amount of Default (Interest)	Period of Default
Wind Mill Term Loan	Bank 1	1734	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	NIL	NIL	June'2011 to Dec 31, 2012
	Bank 2	3220			NIL	NIL	
	Bank 3	4036			NIL	NIL	
	Bank 4	7779			NIL	NIL	
	Bank 5	2866			1611.55	181.48	
Edible Oil Term Loan	Bank 6	5903	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 quaterly 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	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 quaterly installments up to June 30, 2021	NIL	NIL	
	Bank 9	2340			NIL	NIL	
Working Capital Term Loan	Bank 3	15888	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 quaterly 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	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 quaterly installments up to June 30, 2021	NIL	NIL	

	Body Corporate 1	9692	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	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	8700	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		
	Bank 3	43218			NIL	NIL		
	Bank 9	9082			NIL	NIL		
	Bank 1	11867			NIL	NIL		
	Bank 2	12614			NIL	NIL		
	Bank 11	11807			NIL	NIL		
Funded Interest Term Loan-II	Bank 3	9491	(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 quartely installment up to June 30, 2011	NIL	47.94	Dec. 12	
	Bank 1	5065			NIL	49.91	Nov. 12-Dec.12	
	Bank 6	895			NIL	8.67	Nov. 12-Dec.12	
	Bank 7	502			NIL	4.90	Nov. 12-Dec.12	
	Bank 8	1062			NIL	9.78	Nov. 12-Dec.12	
	Bank 4	3071			NIL	25.22	Nov. 12-Dec.12	
	Bank 9	1856			NIL	NIL		
	Bank 10	2462			NIL	22.34	Nov. 12-Dec.12	
	Bank 2	3505			NIL	33.77	Nov. 12-Dec.12	
	Bank 11	1972			NIL	19.15	Nov. 12-Dec.12	
	Bank 12	293			NIL	2.66	Nov. 12-Dec.12	

Application Money:	Bank 3	4928	(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 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.	The CCDs are compulsorily convertible into equity at the end of 18 months from the date of allotment at a SEBI determined price	NIL	4.11	Dec-12
1% Compulsorily Convertible Debentures (CCD's)	Bank 1	4148			NIL	6.93	Nov. 12-Dec. 12
	Bank 6	1355			NIL	6.75	July. 12-Dec. 12
	Bank 7	750			NIL	5.63	April 12-Dec. 12
	Bank 8	1503			NIL	2.50	Nov. 12-Dec. 12
	Bank 4	2014			NIL	3.33	Nov. 12-Dec. 12
	Bank 9	695			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

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	-

Loan Disclosure As on 30.06.11

Bank Name	Type of Loan	Primary Security	Intt. Rate	Default (Principal)	Default (Interest)	Period of Default	No. of Installments
Bank 3	WTGs	Exclusive charge on WTG	12.50%	250	40	April 2011 to June 2011	28 Equal Quarterly Installment
Bank 1	WTGs	Exclusive charge on WTG	13.25%				28 Quarterly Installment
Bank 2	WTGs		14.50%			Rs.178 Lacs	28 Equal Quarterly Installment
Bank 5	WTGs		Libor+ 2.58%	347	36	Jan 2011 -June 2011	10 semi annual Installment
Bank 4	WTGs		2.75%	322	150	April 2011 to June 2011	28 Equal Quarterly Installment
Bank 4	WTGs		12.75%	51	7	April 2011 to June 2011	24 Equal Quarterly Installment
Bank 3	TL	First Pari Passu charge on entire Fixed Assets of the company (excluding WTG & Haldia Plant)	12.50%	50	3	April 2011 to June 2011	20 Equal Quarterly Installment
Bank 3	TL		12.50%	521	86	April 2011 to June 2011	24 Equal Quarterly Installment
Bank 9	TL	Exclusive charge on Haldia Plant	15.25%	450	45	April 2011 to June 2011	16 Equal Quarterly Installment
Bank 4	TL	First charge on specific asset i.e. equipments to be purchased out of banks term loan	12.75%	96	63	April 2011 to June 2011	24 Equal Quarterly Installment
Bank 6	TL	First Pari Passu charge on entire Fixed Assets of the company	12.50%	-	209	May 2011 to June 2011	10 Quarterly Installment
Bank 1	TL		12.50%	-	40	Jun-11	10 Quarterly Installment
Bank 1	TL		12.50%				10 Quarterly Installment
Bank 7	TL		12.47%	-	51	Jun-11	10 Quarterly Installment
Bank 8	TL		12.50%	-	58	Jun-11	10 Quarterly Installment
Body Corporate 1	TL	First Pari Passu charge on entire Fixed Assets of the company (excluding WTG & Haldia Plant)	13.00%	-	447	Feb 2011- June 2011	19 Equal Quarterly Installment
Body Corporate 2	TL	First Pari Passu charge on entire Fixed Assets of the company (excluding WTG & Haldia Plant)	SBR less 3.5%				Single Repayment

Bank 3	CC	First Pari passu charge	12.50%					
Bank 10	CC	on the entire current	12.75%					
Bank 1	CC	assets of the company,	13.00%					
Bank 9	CC	along with other	11.25%					
Bank 2	CC	members of working	15.00%					
Bank 11	CC	capital consortium. And 2nd Parri Passu charge on the entire fixed assets of the company except the assets created for WTG,along with other members of working capital consortium for the working capital facilities.	12.50%					
Bank 4	CC	Hypothecation of all stocks, receivables, consumable stores and other current assets to be created out of this limit	12.00%					

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

	As at December 31, 2012	As at June 30, 2011
Micro Small and Medium Enterprises	260	216
Other Trade Payables	21084	56596
Total	21344	56812

(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.

(Rs. in Lacs)

	As at December 31, 2012	As at June 30, 2011
The Principal amount and interest due thereon remaining unpaid to any supplier:		
Principal	134	168
Interest	65	20
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	13	17
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.	48	12
The amount of interest accrued and remaining unpaid at the end of each accounting year.	126	48

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

	As at December 31, 2012	As at June 30, 2011
Current Maturities of Long Term Borrowings	36851	16313
Interest Payable	6146	536
Unclaimed Dividend Account	43	56
Unpaid Dividend	366	371
Dividend Distribution Tax	122	122
Security Deposit from Customers and Suppliers	5	61
Other Payables		
Outstanding Indirect Expenses	605	949
Advances From Customers	2618	1435
Overdrawn Bank Balance	20	114
Statutory Liabilities	1867	667
Payable for Capital Goods	1398	1341
Other Payables	867	802
Interest on Dividend	58	18
Interest on Dividend Distribution Tax	33	11
Deferred Government Grant	6	6
Total	51005	22802

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

	As at December 31, 2012	As at June 30, 2011
Provision for Employee Benefits	58	214
Others		
Provision for Tax (P.Y. net off advance Tax of Rs. 7685 Lacs)		130
Total	58	344

Note 11 : Fixed Assets and Depreciation Chart

(Rs. in Lacs)

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block				
	As on 1.7.11	Additional during the period	Deduction during the period	Transfers	Exchange Translation	Total as on 31.12.12	As on 1.7.11	Addition during the period	Deduction during the period	Transfers	Exchange Translation	Total as on 31.12.12	As on 1.7.11
TANGIBLE													
WINDMILLS	41849	-	-	-	-	41849	6325	3321	-	-	-	9646	32203
LAND FREEHOLD	1900	-	-	-	-	1900	-	-	-	-	-	-	1900
LAND LEASEHOLD	1969	1	-	-	-	2330	116	56	-	-	20	192	2138
BUILDING	20189	191	-	-	-	20380	2025	1069	-	-	-	3094	17287
PLANT AND MACHINERY	46480	1231	341	(88)	129	47411	7209	4008	103	(14)	23	11123	36288
ELECTRIC INSTALLATION	9042	5	-	-	-	9047	1378	691	-	-	-	2069	6978
VEHICLE	904	3	168	-	53	792	427	140	52	-	15	530	262
FURNITURE AND FIXTURE	848	4	-	-	-	852	405	121	-	-	-	526	325
OFFICE EQUIPMENT	1806	15	261	88	41	1689	903	238	51	14	6	1110	579
UTILITIES	3387	-	-	-	-	3387	426	65	-	-	-	491	2896
PLANTATION AND INFRASTRUCTURE	283	11	-	-	33	327	70	113	-	-	9	192	135
COMPUTER SOFTWARE	210	7	-	-	-	217	210	7	-	-	-	217	-
GOODWILL	101	-	-	-	-	101	48	53	-	-	-	101	-
LAND RIGHT	5502	-	-	-	1248	6750	-	-	-	-	-	-	6750
GRAND TOTAL	134470	1467	770	-	1864	137031	19543	9883*	206	-	73	29292	107739
PREVIOUS PERIOD	125843	8636	58	-	49	134470	11368	8197**	14	-	(8)	19543	114927

* Debited to Statement of Profit and Loss
Capitalized in Immature Plantation

Total

9651

232

9883

**Debited to Statement of Profit and Loss

Capitalized in Immature Plantation

8068

129

8197

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 statements of such differences in the value of depreciation will not be material.

Note 12 : Long Term Loans and Advances*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Capital Advances		
Unsecured, Considered -Good	5343	7185
(A)	5343	7185
Security Deposits		
Unsecured, Considered - Good	456	476
- Doubtful	1	-
Less : Provision for doubtful Advances	1	-
(B)	456	476
Loan & Advance to Staff		
Unsecured, Considered - Good	55	68
- Doubtful	6	-
Less : Provision for doubtful Advances	6	-
(C)	55	68
Others		
Other Advance	864	94
Advance Tax (Advance Tax of Rs 8469 Lacs netted off with Provision for Tax of Rs 7847 Lacs)	622	-
(D)	1486	94
Total (A+B+C+D)	7340	7822

Note 13 : Other Non Current Assets*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Sales Tax Refund Receivables	324	1142
Fixed Deposits (More then 12 Months maturity)	11	-
Total	335	1142

Note 14 : Inventories*(Rs. in Lacs)*

	As at December 31, 2012	As at June 30, 2011
Raw Materials (net off value of obsolete stock)	75377	126412
Work in Progress	-	744
Finished Goods (net off value of obsolete stock)	26020	40611
Packing Materials	741	1978
Stores and Spares	1119	1342
By Product	356	519
Total	103613	171606

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

	As at December 31, 2012	As at June 30, 2011
Exceeding Six Months from the date they become payable		
Unsecured considered - Good	17172	628
- Doubtful	47458	528
Less : Provision for doubtful debts	47458	528
Total (A)	17172	628
Less than Six Months from the date they become payable		
Others Unsecured considered - Good	59801	94397
- Doubtful	4087	-
Less : Provision for doubtful debts	4087	-
Total (B)	59801	94397
Total (A+B)	76972	95025

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

	As at December 31, 2012	As at June 30, 2011
Cash and Cash Equivalents		
Cash on Hand	138	249
Other Bank Balances		
Balances with Banks	355	486
Fixed Deposits (More than 12 Months maturity)	2137	10233
Unclaimed Dividend	43	56
Total	2673	11024

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

	As at December 31, 2012	As at June 30, 2011
Fixed deposits under lien with bank for Bank Guarantees, Letter of Credit & Others.	13	10222

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

	As at December 31, 2012	As at June 30, 2011
Advances recoverable in cash or kind		
Advances to Suppliers - Good	13670	9228
- Doubtful	697	15
Less : Provision for doubtful Advances	697	15
	13670	9228
Prepaid Expenses	1510	1557
Advance to Staff	80	73
Advance for Expenses or others	272	1476
(A)	15532	12334
Balance with Revenue Authorities		
VAT Credit Receivable	469	600
Excise and Service tax Refundable	35	45
(B)	504	645
Total	(A+B)	12979

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

	As at December 31, 2012	As at June 30, 2011
Windmills Income and Claim Receivables	383	741
Less : Provision for Doubtful Claims	238	-
	145	741
Export Benefit Receivables	43	195
Insurance Claim Receivables	175	167
Interest Refundable/Receivables	849	412
Misc Current Assets	6	395
Sales Tax Refund Receivables	3665	2752
Total	4882	4662

K. S. OILS LIMITED

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

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

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Domestic Sales (Including highseas sales)	358250	514471
Export Sales	557	9698
Sales against 'H' form	23660	36876
Less: Provision on current period sales (Refer Note no. 27 A)	35741	-
Other Operating Revenues	584	2032
Sub-Total	347310	563077
Less : Excise Duty	236	284
Total	347074	562792

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

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Interest Income	505	886
Profit on sale of Fixed Asset	8	52
Misc Income	198	111
Total	711	1049

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

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Raw Materials		
Opening Stock	127156	134502
Add: Purchase during the period	318279	529044
Less: Closing Stock	75377	127156
	370058	536390
Less: Cost of goods traded	56324	49890
Less : Diminution in value of Stock (refer note no 27)	3751	0
Net cost of material consumed	309983	486500

**Note 22 : Changes in inventories of Finished Goods,
Work in Progress and Stock in Trade**

(Rs. in Lacs)

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Opening Stock		
Finished Goods	40611	33156
By Products	519	196
Packing Material	1978	3040
Total (A)	43108	36392
Closing Stock		
Finished Goods	26020	40611
By Product	356	519
Packing Material	741	1978
Total (B)	27117	43108
(Increase) / Decrease in Inventory (A-B)	15991	(6716)
Less : Diminution in value of Stock (refer note no 27)	2585	0
(Increase) / Decrease in Inventory	13406	(6716)

Note 23 : Employee Benefit Expenses

(Rs. in Lacs)

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Salaries and Wages	3058	3659
Contributions to Provident and Other Funds	107	173
Staff Welfare Expenses	215	314
Total	3380	4145

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

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Interest Expense	43260	31197
Interest on income tax	32	68
Other Borrowing Costs	20	102
Bank Charges	329	1899
Foreign Currency Transaction Loss	526	744
Total	44167	34010

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

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Depreciation on Fixed Assets	9651	8068
Total	9651	8068

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

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Consumption of Stores and Spare Parts	248	637
Power and Fuel	4447	4746
Labour Charges	523	980
Other Manufacturing Expenses	1002	1853
Rent	1191	2383
Repairs to Buildings	50	111
Repairs to Machinery	255	959
Insurance	306	386
Windmills Expenses	1121	745
Windmills Claims written off	377	-
Agriculture Expenses	71	101
Provision For Doubtful debts	907	221

Rates and Taxes, excluding Taxes on Income	427	931
Transport Loading and Unloading Charges	2424	4704
Packing Expenses	59	123
Advertisement and Sales Promotion Expenses	357	1284
Legal and Professional Fees	1505	970
Other Repairs	150	262
Wealth Tax	1	5
Charity and Donation	3	17
Travelling & Conveyance	466	885
Audit Fees	90	61
Misc Expenditure	4640	1433
Loss on sale of Fixed Asset	271	-
Goodwill Writtenoff	399	-
Total	21290	23798

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

	For the peiord ended on December 31, 2012	For the peiord ended on June 30, 2011
Provision For Bad and Doubtful debts and loan & Advance	16433	-
Value of obsolete stock written off (Raw Material and Finished Goods)	6336	-
Total	22769	-

As shown in note 20, provisions for doubtful debts aggregating to Rs. 35741 lacs, pertains to the sales of the current period. Hence, the same is netted off from the sales of current period, 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	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 Dec 2012)	(As on 30 June 2011)
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

The Financial Statements of all the subsidiaries are drawn from April 1, 2011 to December 31, 2012 (21 Months)

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 are disclosed under capital work in progress.

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. InterCompany 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 December 31, 2012	As at June 30, 2011
a) Claims against the Company not acknowledged as debts in respect of		
i) Excise & custom duty matters under dispute	52	52
ii) Commercial Taxes matter under dispute	664	114
iii) Income Tax	6	20
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1653	1913
c) Bank Gurantee	147	139
d) Export Promotion against Capital Goods.	276	276
e) Other Commitment		
i) Preference Dividend	63	-
ii) Dividend Distribution Tax	11	-
iii) Premium payable on Redemption of Cumulative Redeemable Preference Shares in June 2021	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 year 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 mainataing 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.126 Lacs and Rs. 47 Lacs are deposited as appeal advance as on Dec 31, 2012 and June 30, 2011 respectively against Excise & Custom matters and Sales tax matters.
2. payment of redemption premium @ 65% of preference share (face value of Rs. 10/- each) is subject to the condition to that the same is being paid out from the cash balance is available with Company in excess of Rs. 7500 Lacs.
3. Short Term Loans and advances includes an amount of C.Y 39.05 Lacs being the excess of contractual remuneration paid to the Chairman and Managing Director and Director over the maximum remuneration payable under Schedule XIII of The Companies Act, 1956. Such amount has since been recovered from them.

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. The order has no material impact. However Company has offered additional income of Rs. 625 Lacs in its application, towards which it has paid taxes of Rs. 184 Lacs for settlement of cases. The effects arising out of settlement order will be given in the accounts in the next accounting period.

Note 31 : Corporate Debt Restructuring:

- a) During the financial year under consideration, mainly due to the reasons of large scale expansion/modernization, untied fund based working capital limit and investments in overseas palm plantations, the Company started facing liquidity crunch and it was not able to fulfil its repayment obligations in respect of its borrowings from banks and financial institutions. In order to overcome the debt repayment obligations, the Company made a reference to the Corporate Debt Restructuring (CDR) cell for restructuring of the debts of the Company through CDR Mechanism. The final 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. CDR comprise of restructuring of loan, extension of tenure of loans, reduction of rate of interest and infusion of Rs.15,000 Lacs promoters contribution.
- b) Out of the required amount of funds to be infused by the promoters as at Balance Sheet date, promoters have been able to infuse Rs. 5,000 Lacs. Subsequent to the balance sheet date and at the request of the Company, the CDR Empowered Group has extended the time for balance contribution of Rs. 10,000 Lacs till 30th September, 2013.

However, pending this the Company has already taken credit for the lower rate of interest available in the CDR scheme. Consequently the interest charged to the profit and loss account for the period is lower by Rs. 6,800 Lacs as compared with the interest at the original contracted rates.

- c) Subsequent to the balance sheet date, the Company has not been able to service its repayment obligations as sanctioned under CDR scheme and there have been delays and defaults. Such delays and defaults could have consequential impact on the financial statements in terms of approved CDR Scheme, which is not presently ascertainable.

Note 32 : 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. The license is under renewal.

Note 33 : Employees Stock Option Plan

Company had 125 Lacs no. of shares in ESOP scheme. As 44 Lacs no of share shares were not granted by the Company to its employees under such scheme and even after considering its cosistant lower market price, Company had decided during the period under consideration to cancel its ESOP scheme. Accordingly all such shares under ESOP scheme are now cancelled.

Further, 76 Lacs no of shares were granted by the Company in such schemes to its employees. In all such cases the Company has received a waiver letter from its employees. Accordingly all such allotments are also cancelled pursuant to the cancellation of the scheme.

Note 34 : Varriance 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 December 31, 2012 (i.e. covering eighteen months period) in September 2012as per decision of its board. The inventory verification was undertaken towards end December 2012 and early January 2013 by an Independent Firm of Chartered Accountants appointed by lead Bank, who roll forwarded inventory as on October 31, 2012. The discripency found by stock auditor amounted to Rs. 13263 lacs. Due to this the management of the Company did not undertake any separate physical verification of inventory and statutory auditors were not able to participate in observing physical verification of inventory.

Note 36 : Going Concern

During the financial period the Company has incurred loss of Rs.1,37,203 Lacs(standalone) and its net worth is 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 non-core assets for reducing debt burden. Besides, CDR package sanctioned by lenders, the Company is actively pursuing option of re-organization of existing business and/or enter into some strategic alliance or introduce 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, 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 : AGM and Results:

The Company has extended current accounting period to eighteen months period ending on December 31, 2012. Pursuant to which, according to the provision of the Companies Act, the Company was required to hold on AGM within the three months from the close of the financial year. However, as most of the key personnel's have left the Company during this period and considering the large period of the financial year and paucity of time, the company was not able get its accounts audited with in stipulated time and was unable to produce financial statement in the AGM.

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. 2030 lacs, balance amount of Rs 3035 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 366 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 : 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 December 31, 2012		As at June 30, 2011	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Export of Goods	Nil	Nil	252060	113
Loan receivable from subsidiaries (MYR)	6588045	1211	13704885	2049
Other Loan Receivables (MYR)	242700	45	242700	36

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

	As at December 31, 2012		As at June 30, 2011	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Import of Goods and Service (\$)	22109	12	18903327	8454
Interest Payable (\$)	342195	181	232240	104
Loans Payable (\$)	5231250	2866	5231250	2339

iii) Bank Balances in foreign Currency

	As at December 31, 2012		As at June 30, 2011	
	Amount in Foreign Currency	(Rs. in Lacs)	Amount in Foreign Currency	(Rs. in Lacs)
Bank Balance (USD)	Nil	Nil	(136)	(@)
Total	Nil	Nil	(136)	(@)

@ denotes amount less than Rs. 50,000

Note 41 : Government Grants:**a) Non Monetary:***(Rs. in Lacs)*

Particulars	For the peirod ended on December 31, 2012	For the peirod ended on June 30, 2011
Depreciation on the assets funded by Government Grant	9	7
Income recognized from Government Grants	9	7

b) Monetary :*(Rs. in Lacs)*

Particulars	For the peirod ended on December 31, 2012	For the peirod ended on June 30, 2011
Income recognized from Government Grants	351	1157

Note 42 : Auditors Remuneration*(Rs. in Lacs)*

Particulars	For the peirod ended on December 31, 2012	For the peirod ended on June 30, 2011
Audit Fees (including Limited Review and Consolidation fees)	71	50
Certification Work	10	2
Reimbursement of Expenses	@	@
Service Tax on the Fees and Certification	9	5

@ 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:

(Rs. in Lacs)

Particulars	Edible Oil		Power		Others		Unallocable		Elimination		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Revenue												
External Turnover	340538	557390	6051	5468	721	218	-	-			347310	563076
Inter Segment Turnover			617	766					(617)	(766)		
Gross Turnover	340538	557390	6668	6234	721	218	-	-	(617)	(766)	347310	563076
Less: Excise duty	236	284									236	284
Net Turnover	340302	555074	6668	6234	721	218	-	-	(617)	(766)	347074	562792
Segment Result Before Interest and Taxes	(84092)	(7407)	1821	2714	(2049)	(865)	(5490)	14	(617)	(2)	(90428)	(5542)
Less: Interest Expenses							43676	31419	(415)	223	43260	31196
Add: Interest Income							923	1108	(418)	223	505	885
Profit before tax	(84092)	(7407)	1821	2714	(2049)	(865)	(48243)	(30297)			(133183)	(35853)
Current tax							184	(474)			184	(474)
Fringe benefit tax											-	
Deferred tax							1213	(615)			1213	(615)
Profit after tax	(84092)	(35646)	1821	(223)	(2049)	227	(49640)	(1234)	-		(134580)	(36941)
Other Information												
Segment Assets	267662	357683	35527	38749	21799	21244	28943	42738	(23802)	23314	330128	437100
Segment Liabilities	28226	62000	519	851	1682	324	291500	262341	(1365)	2	320562	325514
Capital Expenditure	401	8019				@		2563			401	10583
Depreciation/ Amortization	6205	5224	3337	2775	109	8	-	61			9651	8068
Non cash expenses other than Depreciation							22769	138			22769	138
Goodwill on Consolidation								325				325

@ 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 peirod ended on December 31, 2012	For the peirod ended on June 30, 2011
India	345796	551062
Rest of the World	1278	9698
Total	347074	560760

Note 44 : Employee Benefits Plans*(Rs. in Lacs)*

i) Defined Contribution Plan	For the period ended on Dec. 31, 2012	For the period ended on June 30, 2011
(1) Provident Fund	84	102
(2) State defined contribution plans		
-Employers' Contribution to Employees' State Insurance	16	14
Total	100	116

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)*

Particulars	For the peirod ended on December 31, 2012	For the peirod ended on June 30, 2011
1. Assumptions		
Discount Rate	8%	8%
Salary Escalation (18 Months/12 Months)	5%	8%
Salary Escalation (For 3 Months of 2010-11)	-	6%
2. Table showing changes in present value of obligations		
Present value of obligations as at beginning of period	126	123
Interest cost	15	14
Current service cost	27	69
Benefits paid	7	(5)
Actuarial (gain)/loss on obligations	(76)	(74)

Present value of obligations as at end of period	85	126
3. Table showing changes in the fair value of plan assets		
Fair value plan assets at beginning of period	140	129
Expected return on plan assets	17	14
Contributions	10	1
Benefits paid	7	(5)
Actuarial (gain)/loss on obligations	(9)	(0)
Fair value of plan assets at the end of period	151	140
4. Table showing fair value of plan assets		
Fair value plan assets at beginning of period	140	129
Actual return on plan assets	17	14
Contributions	10	1
Benefits paid	(7)	(5)
Fair value of plan assets at the end of year	151	140
Funded status	66	14
Excess of actual over estimated return on plan assets	Nil	Nil
5. Actuarial Gain/Loss recognized		
Actuarial gain/(loss) for the period –Obligations	76	74
Actuarial (gain)/loss for the period –plan assets	(9)	(0)
Total (gain)/loss for the period	(85)	(74)
Actuarial (gain)/loss recognized in the period	(85)	(74)
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	85	126
Fair value of plan assets as at the end of the period	151	140
Funded status	66	36
Net assets (liability) recognized in balance sheet	66	63

7. Expenses recognized in statement of profit and loss		
Current service cost	28	69
Interest cost	15	14
Expected return on plan assets	(17)	(14)
Net actuarial (gain)/loss recognized in the period	(67)	(74)
Expenses recognized in statement of profit and loss	(42)	(6)

-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)

Particulars	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Discount Rate (Per annum)	8%	8%
Rate of increase in Compensation levels	5%	5%
Rate of Return on Plan Assets	Nil	Nil
Expected Avg. remaining working lives of employees in no. of period	21	23
1. Changes in present Value of Obligation		
Present value of Obligation as at beginning of the period	46	36
Interest Cost	6	4
Past Service Cost	-	-
Current Service Cost	6	25
Contributions by Plan participants	-	-
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits Paid	-	-
Actuarial(Gains)/Loss	(29)	(19)
Present value of Obligation as at the end of the period	28	46
2. Amounts recognized in the Balance Sheet		
Present Value of Obligation as at the end of the period	28	46
Fair value of Plan Assets as at the end of the period	NA	NA
(Asset)/ Liability recognized in the Balance Sheet	28	46

3. Expenses recognized in the Profit and Loss Account		
Current Service Cost	6	25
Past Service Cost	-	-
Interest Cost	6	4
Expected Return on Plan Assets	-	-
Curtailement Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Net Actuarial(Gain)/Loss	(29)	(19)
Employees' Contribution	-	-
Total Expenses recognized in the Statement of Profit and Loss	(18)	9

Amount of Current and Previous four years as follows

(Rs. in Lacs)

	Dec 31, 2012	June 30, 2011	Mar 31, 2010	Mar 31, 2009	Mar 31, 2008
Gratuity					
Defined Benefit Obligation	85	126	109	49	26
Plan Assets	151	140	129	91	27
Surplus or Deficit	(66)	(14)	(20)	(42)	(1)
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

Enterprises over which Key Managerial Personnel exercises significant influence	K. S. Food Products
	K. S. Enterprises
	Ramesh Chand Sourabh Kumar HUF
	Sourabh Garg HUF
	Neiil 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 w.e.f. Sep 26,2011) (CMD)
Mr. Sanjay Agarwal	Managing Director (Till July 23,2011)
Mr. Sourabh Garg	Non Executive Director (w.e.f.Sept. 12,2011)
Mr. Davesh Agarwal	Whole time Director (w.e.f. January 1, 2012)
Relatives of Key Managerial Personnel	
Mrs. Sheela Devi Garg	Spouse of the CMD
Mrs. Meeta Garg	Spouse of Director (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
Mr. Widodo Nurly Sumady	Director in Subsidiary
Mr. Achmad Luthfy	Director in Subsidiary (May 2012)
Mr. Anthony John Hogg	Director in Subsidiary (June 2012)
Mr. Sanjay Rathi	Director in Subsidiary (w.e.f June 2012)
Mr. Baey Chang Song	Director in Subsidiary
Mr. Jeffrey Lachmandas Mahtani	Commissioner in Subsidiary
Mr. Sandeep Kumar	Commissioner in Subsidiary (Till June 2011)

b) Particulars of Related Party Transactions*(Rs. in Lacs)*

Particulars	Volume of transaction during the period ended December 31, 2012	Volume of transaction during the period ended June 30, 2011	As at Dec. 31, 2012 O/S Receivable	As at June 30 2011 O/S Receivable	As at Dec. 21 2012 O/S Payable	As at June 30 2011 O/S Payable
Loan Given/ (Received Back) - Net Of ERF						
Affiliate Companies						
PT. Borneo Palma Prima	-	195	-	533	-	-

Total	-	195	-	533	-	-
Loan Received/(Given Back)						
Key Management Personnel						
Ramesh Chand Garg	2640				2640	
Total	2640				2640	
Remuneration*						
Key Management Personnel						
Mr. Ramesh Chand Garg	36	60	32			4
Mr. Sanjay Agarwal	3	53			-	-
Mr. Sourabh Garg	5	45	2		-	-
Mr. Davesh Agarwal	24	-			3	
Total	68	158	34		3	4
Other Related Parties						
Mr. Jeffrey Lachmandas Mahtani	116	113				
Mr. Sandeep Kumar	28	37				
Mr. Tapan Baheti	49	25				
Mr. Widodo Nurly Sumady	29	37				
Mr. Freddy Setiawan	-	93				
Mr. Achmad Luthfy	25	21				
Mr. Freddy Tedjasamita	-	14				
Mr. Anthony John Hogg	88	51				
Mr. Sanjay Rathi	13	-				
Mr. Krdi Maryoto	-	50				
Mr. Baey Chang Song	2	1				
Mr. Rosaline Ukim	1	@				
Mr. Shim Shuk Han	1	@				
Total	351	442				
Dividend						
Key Management Personnel						
Mr. Ramesh Chand Garg	-	108				
Mr. Sourabh Garg	-	26				
Total	-	134				

@ denotes amount less than Rs. 50,000/-

Relative of Key Management Personnel						
Mrs. Meeta Garg	-	38				
Mrs. Sheela Devi Garg	-	50				
Mr. Shyam Kumar Garg	-	@				
Mr. Om Prakash Garg	-	@				
Mr. Mohan Lal Garg	-	@				
Total	-	89				
Other Related Parties						
Ramesh Chand Sourabh Kumar HUF	-	30				
Sourabh Garg HUF	-	5				
Total	-	35				
Amount Received against Convertible Share Warrants						
Relative of Key Management Personnel						
Mrs. Sheela Devi Garg	-	904				
Mrs. Meeta Garg	-	3369				
Total	-	4274				
Rent Paid						
Key Management Personnel						
Mr. Ramesh Chand Garg	31	65		30	22	
Total	31	65		30	22	
Relative of Key Management Personnel						
Mrs. Meeta Garg	-	5				
Mrs. Sheela Devi Garg	-	12		4	6	
Total	-	17		4	6	
Other Related Parties						
K.S. Enterprises	12	11		11	10	
K. S. Food Products	12	11		14	3	
Garg Family Trust	30	11		14	9	
Total	54	33		39	23	

Other Related Parties						
Neiil Education P. Ltd.	13	39				13
Total	13	39				13
Conversion Of Equity Share Warrants						
Relative of Key Management Personnel						
Mrs. Sheela Devi Garg	-	3737				
Mrs. Meeta Garg	-	5235				
Total	-	8971				
Security Deposit Given						
Key Management Personnel						
Mr. Ramesh Chand Garg	20	0	4	23		
Contribution for Gratuity						
KS Oils Ltd. Group Gratuity Scheme	10	5				

@denotes amount less than Rs. 50,000.

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

Loan amount of Rs 2,51,091 Lacs (previous year 2,30,686 Lacs) 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)

	As at December 31, 2012	As at June 30, 2011
Future minimum lease payments under non-cancelable operating leases are as under:		
Rent payable for 1 year	64	158
Rent payable for 1 to 5 years	105	164
Rent payable for 5 years and above	28	38

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 250 Lacs (previous period Rs. 407 Lacs).

The Company's significant leasing arrangements are in respect of plant and machinery, storage tank and factory premises taken on lease for manufacturing activities at Kota and Ratlam. The arrangements range between 11 months and 10 years generally and are usually renewable by mutual consent of both parties or mutually agreeable terms.

Note 47 : Earning Per Share (EPS)

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 on December 31, 2012	For the period ended on June 30, 2011
Loss after tax (Rs. in Lacs)	(134364)	(36876)
Less: Preference Dividend	63	-
Less: Dividend Distribution Tax	11	-
Less: Interest on Dividend	40	-
Less : Interest on Dividend Distribution Tax	22	-
Loss Available for Equity Share Holders	(134500)	(36876)
Weighted average number of equity shares for Basic/Diluted EPS (no. of shares in Lacs)	4418	4156
Basic/Diluted earnings per share (in rupees)	(30.44)	(8.87)
Face value of share (in rupees)	1	1

Note 48 : Discontinuing Operation as per AS-24

Company is in the process of restructuring its business by hive off its non-core assets for reducing debt burden. For this, Company will seek permission of its shareholders and as soon as approval is received, the process of sale off of windmill division will be started. In accordance with the disclosure requirement of Accounting Standard - 24 "Discontinuing Operations", following disclosures are made as under:

1. Company had several windmills in the various states of the country through which it generates power.
2. Operations of windmill activity are shown as a part of Business Segment in accordance with the requirement of AS – 17 “Segment Reporting”.
3. Pursuant to the acceptance of CDR package by the Company, there was a requirement to hive off the windmill segment.
4. In accordance with the requirement of CDR package, these windmills are required to be sold off on priority basis. Hence, sale of such assets are expected to get through by the next financial year.
5. Carrying amount of fixed assets is shown under note no- 11 “Fixed assets” and for assets and liabilities(excluding secured loan) refer note no. 43 “Segment reporting” under consolidated financial statement.

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

	For the period ended on December 31, 2012		For the period ended on June 30, 2011	
	Consumption (in Lacs)	% of Total Consumption	Consumption (in Lacs)	% of Total Consumption
1) Value of Raw Material Consumed				
Total Consumption	309983	100	486500	100
Imported	21073	7	48557	10
Indigenous	288910	93	437943	90
2) Value of Stores and Spares Consumed				
Total Consumption	238	100	622	100
Imported	-	-	38	6
Indigenous	238	100	584	94

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

Description	Unit	For the period ended as on December 31, 2012		For the period ended as on June 30, 2011	
		Qty	Value in Rs. (lacs)	Qty	Value in Rs. (lacs)
Opening Stock					
Oil	M.T.	76129	38159	63467	28772
DOC	M.T.	15847	2285	32936	3759
Vanaspati Ghee	M.T.	382	167	1687	614
By Product/Packing					

Material/Trading Goods			2497		3236
Production					
Oil	M.T.	252345		477015	
DOC	M.T.	314073		438960	
Vanaspati Ghee	M.T.	3271		11152	
Power	KWH	200910809		158928285	
Cost of Material Consumed					
Mustard Seed	M.T.	482184	139594	708610	170507
Soya been Seed	M.T.	289634	74776	173823	39793
Sunflower Seed	M.T.	1020	300	-	-
Oil	M.T.	73140	50639	258200	149628
DOC	M.T.	601	104	967	130
Vanaspati Ghee	M.T.	-		-	-
Mahua Seed	M.T.	1442	366	-	-
Crude Oil for Refinery	M.T.	109017	32179	266864	93094
Crude Oil for Vanaspati	M.T.	2562	(24)	6430	880
Tin Plate	M.T.	580	333	2977	1578
Oil Cake	M.T.	74918	4004	317704	4265
Packing Material/Other Expenses			7428		25715
HDPE			284		910
			309983		486500
Sale					
Oil	M.T.	360149	230716	722553	419341
DOC	M.T.	314421	57060	457016	59373
Vanaspati Ghee	M.T.	3001	1701	12457	6056
Power	KWH	187670759	6051	157995594	5468
By Product/Packing Material/Trading Goods			85982		70304
Closing Stock					
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

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Raw Materials/ Traded Goods	-	19919
Stores & Spares	-	38
Capital goods	-	345

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
On export of goods calculated on FOB basis	91	9609
Interest on loan to subsidiaries	354	287

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Interest	165	500
Professional fees	4	14
Others	7	39

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

	For the period ended on December 31, 2012	For the period ended on June 30, 2011
Dividend	24	113
Number of Shareholders	1144	532
Total Number of Shares (In No.)	84537969	62776696

Note 55 : Comparatives Figures

- 1) The current financial statements is prepared for eighteen months period ended Dec 31, 2012, hence figures for the same are not comparable with that of previous financial statements, which was prepared for the fifteen months period ended June 30, 2011.

- 2) The previous financial statements for the period ended June 30, 2011 had been prepared as per then applicable schedule VI of the Companies Act, 1956. consequent to the notification no. F.No.2/6/2008-C.L-V dated March 30, 2011 Of revised schedule VI under Companies Act, 1956, the current financial statement for the period ended Dec 31, 2012 are prepared as per revised schedule VI. Accordingly previous period figures have also been reclassified/rearranged to confirm to current periods classifications.

For and on behalf of Board of Directors

K. S. OILS LIMITED

Sd/-

Ramesh Chand Garg

Chairman & Managing Director

Sd/-

Davesh Agarwal

Director & CFO

Sd/-

Sandeep Kumar

Company Secretary

Place: Morena

Date: July 26, 2013

**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)	K S Agri Resources Pte. Ltd. (Singapore)	K S Oils Sdn Bhd (Malaysia)	PT. Buana Mega Sentosa Plantation (Indonesia)	PT Biodiesel Jambi (Indonesia)	PT. Mega Artha Persada (Indonesia)	PT. Tunas Bersusun Abadi (Indonesia)	PT. Luwang Urip (Indonesia)
		Currency	USD	USD	RM	IDR	IDR	IDR	IDR	IDR
1	Capital	Foreign Currency Indian Rupees	47,984,400 2,628,455,874	18,687,700 1,023,661,749	4,040,000 74,282,268	30,333,000,000 173,504,760	27,000,000,000 154,440,000	5,000,000,000 28,600,000	27,000,000,000 154,440,000	2,000,000,000 11,440,000
2	Reserves	Foreign Currency Indian Rupees	(8,764,123) (480,074,995)	(133,405) (7,307,566)	(4,402,625) (80,949,745)	(8,317,628,531) (47,576,835)	(2,440,413,955) (13,959,168)	(6,215,278,645) (35,551,394)	(13,206,479,852) (75,541,065)	(245,409,870) (1,403,744)
3	Total Assets	Foreign Currency Indian Rupees	39,282,817 2,151,806,652	18,561,693 1,016,759,426	13,159,722 241,963,860	57,708,307,556 330,091,519	25,984,692,833 148,632,443	0	88,228,103,324 504,664,751	5,278,267,485 30,191,690
4	Total Liabilities	Foreign Currency Indian Rupees	62,540 3,425,772	7,398 405,242	13,522,347 248,631,338	35,692,936,087 204,163,594	1,425,106,788 8,151,611	1,215,278,645 6,951,394	74,434,583,176 425,765,816	3,523,677,355 20,155,434
5	Investments	Foreign Currency Indian Rupees	23,615,744 1,293,606,694	2,477,985 135,737,328	Nil Nil	Nil Nil	Nil Nil	Nil Nil	1,900,000,000 10,868,000	Nil Nil
6	Turnover & Other Income	Foreign Currency Indian Rupees	20,903 1,060,263	0 0	4,379,244 73,526,018	234,623,895 1,329,144	192,967 1,093	165,562,740 937,913	26,292,928 148,949	1,642,495 9,305
7	Profit / (Loss) Before Tax	Foreign Currency Indian Rupees	(5,236,381) (265,605,050)	(22,114) (1,121,689)	(557,321) (9,357,230)	(7,105,132,460) (40,250,575)	(864,231,897) (4,895,874)	(1,636,900,994) (9,273,044)	(10,124,148,496) (57,353,301)	(121,229,170) (686,763)
8	Provision for tax	Foreign Currency Indian Rupees	(291,000) (15,940,194)	Nil Nil	70,086 1,288,650	(326,443,014) (1,867,254)	(361,872,816) (2,069,913)	44,034,042 251,875	(729,139,085) (4,170,676)	(30,004,209) (171,624)
9	Profit / (Loss) After Tax	Foreign Currency Indian Rupees	(5,527,381) (280,365,448)	(22,114) (1,121,689)	(487,235) (8,180,510)	(7,431,575,474) (42,099,875)	(1,226,104,713) (6,945,883)	(1,592,866,952) (9,023,591)	(10,853,287,581) (61,483,874)	(151,233,379) (856,737)
10	Proposed Divided	Foreign Currency Indian Rupees	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Closing Rate		54.7773	54.7773	18.38670	0.00572	0.00572	0.00572	0.00572	0.00572
	Daily Average Rate		50.72302	50.72302	16.78966	0.00567	0.00567	0.00567	0.00567	0.00567

Note :

Rates of US Dollars have been obtained from www.rbi.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 Board of Directors

K. S. OILS LIMITED

Sd/-

Davesh Agarwal
Director & CFO

Sd/-

Ramesh Chand Garg
Chairman & Managing Director

Sd/-

Sandeep Kumar
Company Secretary

Place: Morena

Date: July 26, 2013



K. S. OILS LIMITED

Regd. Office: K. S. Oils Limited, Jiwaji Ganj, Morena (M.P.) – 476 001

Tel: +91-7532-300000 Fax: +91-7532-405060

E-mail: investors@ksoils.com Website: www.ksoils.com

NOTICE

NOTICE is hereby given that the Twenty Seventh (Adjourned) Annual General Meeting of K. S. Oils Limited will be held on Saturday, 7th day of September, 2013 at 4.00 p.m at Factory office of the Company at A. B. Road, Industrial Area, Morena - 476 001 (M.P.)

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at December 31, 2012, Profit and Loss Account for the period July 01, 2011 to December 31, 2012 and the Reports of the Board of Directors and Auditors thereon.

For and on behalf of the Board of Directors

K. S. Oils Limited

Sd/-

Ramesh Chand Garg

Chairman & Managing Director

Date: 06/08/2013

Place: Morena

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE (ADJOURNED) ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN TWENTY FOUR HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorized representatives to attend the (Adjourned) Annual General Meeting are requested to send a Certified Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Adjourned Annual General Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, Members who have not en-cashed dividend warrant(s) for the year 2005-06 and onwards so far, are requested to take appropriate action for issuance of duplicate warrant(s) by writing to the Company's Registrars and Transfer Agents, M/s. Ankit Consultancy Private Limited. Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates they first became due for payment and the same is transferred to the IEPF and no payment shall be made in respect of any such claims.
6. Members are requested to notify immediately any change of address;
 - i. To their Depository Participants (DPs) in respect of their electronic share accounts; and
 - ii. To the Company to its Share Transfer Agents in respect of their physical share folios, if any.
 - a) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
 - b) Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - iii. Change in the residential status on return to India for permanent settlement.
 - iv. The particulars of NRE Account with Bank in India, if not furnished earlier.

7. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturday between 11.00 A.M. to 1.00 P.M.
8. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
9. Members desiring of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
10. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. The ISIN No. for the Equity Shares of the Company is INE727D01022.
In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent Ankit Consultancy Pvt. Ltd., 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010.
11. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to Individuals holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be download from the website of the Ministry of Company affairs.
12. The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Ankit Consultancy Pvt. Ltd.

13. Green Initiative:

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No.17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic

mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to please promptly provide their details (name, folio no., e-mail id) to the Registrar and Transfer Agent of the company. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

The annual report and other communications/documents sent electronically would also be displayed on the Company's website: www.ksoils.com. As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, in the interest of the environment.

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

Sd/-

Date: 06/08/2013

Place: Morena

**Ramesh Chand Garg
Chairman & Managing Director**

ATTENDANCE SLIP**Name and Address of Member :-**

I, here by record my presence at the 27th (Adjourned) Annual General Meeting 4:00 pm at Factory office, at A. B. Road, Industrial Area, Morena-476 001 (M.P.).

*Folio No. / DP ID No. and Client ID No.....

No. of Shares held.....

Name of Proxy if the proxy attends, instead of the Shareholder.....

*Strike off whichever is not applicable

NOTE:

1. Member/Proxy attending the Meeting must fill the detail in this attendance slip and hand it over at the entrance.
2. Member/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

Signature of the attending

Member/Proxy:

.....

PROXY FORM

No. of Shares held.....

Folio No. / DP ID No. and Client ID No

I/We ofin the district of

..... being a Member/Members of K.S.Oils Limited, hereby appoint

Mr./Ms of in the

district of or failing him/her Mr./Mrs

..... of in the district of

as my/our proxy to attend and vote for me/us on my/our behalf at the 27th (Adjourned) Annual General Meeting of the Company to be held on 07th day of September, 2013 at 4:00 pm at Factory office, at A. B. Road, Industrial Area, Morena - 476 001 (M.P.) and at any adjournment thereof.

Signed thisday of2013

Affix revenue
Stamp of Rs. 1/-

NOTE:

This Proxy form, in order to be effective should be duly stamped, completed and signed must be deposited at the Registered Office of the Company not less than 24 hours before the aforesaid Meeting.

Signature of Shareholder



If undelivered, please return to:

K S OILS LIMITED

Registered Office: Jiwaji Ganj, Morena-476 001, Madhya Pradesh, India

Tel.: +91 7532 300000, Fax: +91 7532 405060

Email: investors@ksoils.com Website: www.ksoils.com