LADHA G.D. & CO.
Chartered Accountants

Office :
"Kanchan"
Roshnighar Lane, Near Achleshwar Temple
Gwalior-474001 (M.P.)
Ph. : (O) 4026476, 2432428
Fax : 4026476
Mob. : 94251-15034
e-mail : ladhagd@rediffmail.com
Residence :
263, Jiwaji Nagar, Thatipur, Gwalior-474011
Ph. : 2340068 (R)

Limited Review Report

To: The Board of Directors of M/s K S Oils LTD.

Introduction

We have reviewed the accompanying statement of unaudited financial results of **K.S. Oils Limited, Morena** for the third quarter and nine months ended December 31, 2016. The statement has been prepared by the company pursuant to Regulation 33 of the SEBI (Listing obligation and discloser Requirement) Regulations, 2015(the "Listing Regulation, 2015"), Which has been initialed by us for identification purposes. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, in their meeting held on 14th February, 2017. Our responsibility is to issue a report on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of interim Financial Performed by Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion."

Basis of Qualified Conclusion

1. Attention is invited to Note no.2 regarding qualifications given on our statutory audit report for the year ending 31.03.2016. There have not been any significant developments with regard to the qualifications 1 to 8.

2. Valuation/Position of inventory is as per management. In the absence of availability of appropriate information, we are unable to comment upon further abnormal adjustments, if any, is required to be made in such regard. The management with regard to abnormal variations/fluctuations sales price due to quality. We are unable to comment on this, being a technical matter.

3. The management has not carried out any valuation of impairment assets on balance sheet for the year ending 31.03.2016 and in the absence of details of testing for impairment of certain assets viz. Production plants which were not operational during the period, we are unable to state whether provision, if any, is required to be made in this regard. Our audit opinion on our statutory audit report for the year ending 31.03.2016 was also qualified in respect of aforesaid matter.

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4. Out of transactions of purchase and sales of goods selected on a sample basis; in some cases, full supporting documents were not made available for our verification.

5. The net worth of the company has completely eroded. The Secure loans grouped under head Long term borrowing Rs.152579 Lakh could not be termed as secured.

6. As detailed in Note no 3 to the unaudited financial results, the company has a Trade receivable totaling 12750 lakh. In absence of confirmation we are unable to comment on these Trade receivable. if any provision , is required to be made in this regard

7. Long term Loan and Advances include advances aggregating capital advance Rs.1163 Lacs given to the suppliers and short term Loan & Advances Rs. 40030 Lacs outstanding for more than a year. Relevant documents and confirmations of balances are yet to be obtained.

8. Attention is invited to Note no.3. pending quantification of interest payable, penalty, other financial charges, the ultimate liability for financial charges and related impact on reported loss is not quantifiable for the period and the Company has not provided interest liability for under review.

Qualified Conclusion

Based on our review conducted as above and subject to our observations in paragraphs 1 to 9 above we report that nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Ladha G. D. & Co.
Chartered Accountants
Firm Reg No.: 010962C

LADHA G.D. & CO. GWALIOR Chartered Accountants

Nitin Phariya
Partner
Mem No.: 409770

Place : New Delhi
Date : 14/02/2017