29th Annual Report

2012-2013

CALS REFINERIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Deep Kumar Rastogi	:	Executive Chairman
Mr. D. Sundararajan	:	Managing Director
Mr. Alexander Walter Schweickhardt	:	Director
Mr. Sameer Rajpal	:	Director
Mr. Sarvesh Kumar Goorha	:	Director (Resigned on May 25, 2013)
Mr. R. Rajagopalan	:	Director (Appointed on May 30, 2013)

COMPANY SECRETARY &
COMPLIANCE OFFICER
Mr. Suvindra Kumar

BANKERS
Axis Bank Limited

AUDITORS
M/s Kanu Doshi Associates, Mumbai

REGISTERED OFFICE
21 Basant Lok Complex,
Vasant Vihar, New Delhi- 110 057.

REGISTRAR & SHARE TRANSFER AGENTS
MCS Limited
F-65, 1st Floor, Okhla Industrial Area, Phase-1,
New Delhi-110 020.

LISTING OF SECURITIES
The Bombay Stock Exchange,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai- 400 001

Luxembourg Stock Exchange (GDR),
11, Avenue De La Porte- Neuve,
L-2227, Luxembourg.

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NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of Cals Refineries Limited will be held on Friday, September 27, 2013 at 10.30 a.m. at Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O, Fatehpur Beri, New Delhi- 110 074, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on March 31, 2013 and Statement of Profit and Loss for the year ended on that date together with the reports of Director's and Auditor's thereon.
2. To reappoint Mr. D. Sundararajan who retires by rotation and being eligible offers himself for reappointment.
3. To reappoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions, inter alia, of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. R. Rajagopalan be and is hereby appointed Director of the Company liable to retire by rotation."

By Order of the Board of Directors

Place : New Delhi **(Suvindra Kumar)**
Date : July 9, 2013 Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT 21 BASANT LOK COMPLEX, VASANT VIHAR, NEW DELHI - 110 057 NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING. A FORM OF PROXY IS GIVEN AT THE END OF THIS ANNUAL REPORT.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 20, 2013 to Friday September 27, 2013 (both days inclusive).
3. The members are requested to:
   a. bring their copy of Annual report at the Annual General Meeting.
   b. bring the attendance slip duly filled in for attending the Meeting.
   c. I **In case shares are held in physical form:** notify immediately the change of address, if any, to the Company at 21 Basant Lok Complex, Vasant Vihar, New Delhi - 110 057 or to the Registrar and Share Transfer Agent of the Company, MCS Limited, F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi-110 020 quoting their folio number.

      II **In case shares are held in dematerialized form:** notify to their depository participants, change/ correction in their address/bank account particulars etc. as the Company uses the information provided by Depositories in respect of shares held in dematerialized form.
   d. send, in case of those members who have multiple accounts in identical names or joint names in same order, all the share certificates to the Registrar and Share Transfer Agent of the Company, MCS Limited at the aforesaid address for consolidation of all such shareholdings into one account to facilitate better service.
4. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturday, Sunday and Public holidays up to the date of the Annual General Meeting.
5. Brief profile of Directors seeking appointment/ reappointment at the forthcoming Annual General Meeting are disclosed hereunder as required in Clause 49 of the Listing Agreement.

EXPLANORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Board of Directors of the Company (the Board), had, at its meeting held on May 30, 2013 co-opted, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Article 85 of the Articles of Association of the Company, Mr. R. Rajagopalan as an Additional Director of the Company.

In terms of the provisions of Section 260 of the Act, Mr. R. Rajagopalan would hold office up to the date of next General Meeting.

The Company has received a notice in writing from a member along with a deposit of ₹500/- proposing the candidature of Mr. R. Rajagopalan for the office of Director of the Company, under the provisions of Section 257 of the Act.

Mr. R. Rajagopalan is a Post Graduate in Science and an Associate Member of Institute of Bankers, besides being a qualified Cost Accountant. He has banking experience of over 36 years with Punjab National Bank. During his tenure with the bank, he has held various positions and headed many large corporate branches contributing to growth of business, before retiring as General Manager of the bank in 2013. He does not hold any other directorship.

The Board of Directors accordingly recommends the resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. R. Rajagopalan is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

Place : New Delhi **(Suvindra Kumar)**
Date : July 9, 2013 Company Secretary

NOTES ON DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49VI(A) OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGE

At the ensuing Annual General Meeting, Mr. D. Sundararajan retires by rotation and being eligible, offers himself for reappointment and Mr. R. Rajagopalan will be appointed as a director of the Company.

Mr. D. Sundararajan brings with himself an impressive repository of knowledge. His key responsibilities include identifying new business opportunities, negotiating contracts for joint ventures, attracting potential investors and laying the foundation for a sustainable growth path for the Refinery project.

Mr. Sundararajan started his career in Chennai in Small & Medium Enterprises and has since worked with major public & private institutions for more than 37 years. After a successful stint in Canara Bank he joined private sector in 1991. He has significantly performed outside the traditional role of CFO in organizations like Prag Bosimi Synthetics Ltd., ABG Infralogistics Ltd., ABG Shipyard Ltd., Fascel Ltd., and the Braj Binani Group. Mr. Sundararajan has been highly influential in introducing best practices into his organization and has been effective in resource mobilization and its deployment. He has achieved several significant milestones in his career that include handling premium IPOs, implementing ERP, successfully turning around companies, enhancing investor relations and much more. Actively participated and led merger and acquisition activities and structured functional integration process at Idea Cellular Ltd. Mr. Sundararajan has significantly contributed in launch of mobile telephony in Gujarat for one of the operators and turning it to be a market leader in that State. He has helped a leading private life insurance company to set up business in 3 Indian states.

Mr. Sundararajan has completed his Bachelors in Applied Science from Madras University, where he also obtained a Master's degree in Mathematics along with a Bachelors degree in Law. Furthermore, he is a Certified Associate from the Indian Institute of Bankers and an Associate from the Institute of Cost Accountants of India.

He is on the Board of following Companies:

- SRM Energy Limited
- SRM Energy Tamilnadu Private Limited

Mr. R. Rajagopalan is a Post Graduate in Science and an Associate Member of Institute of Bankers, besides being a qualified Cost Accountant. He has banking experience of over 36 years with Punjab National Bank. During his tenure with the bank, he has held various positions and headed many large corporate branches contributing to growth of business, before retiring as General Manager of the bank in 2013. He does not hold any other directorship.

The Directors present herewith the Twenty Ninth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2013.

FINANCIAL RESULTS:

(₹ in millions)

Description	Year Ended March 31, 2013	Year Ended March 31, 2012
Sale	**0.72**	0.00
Other Income	**10.32**	7.74
Total Revenue	**11.04**	7.74
Purchases	**0.71**	0.00
Employee Benefits Expense	**7.44**	9.76
Interest and Finance Charges	**84.28**	8.13
Depreciation and Amortizations	**0.86**	1.44
Other Expenses	**15.33**	29.53
Total Expenses	**108.62**	48.86
Profit / (Loss) before exceptional and extraordinary	**(97.58)**	(41.12)
Extra-ordinary Items	**(19.72)**	2,643.05
Loss for the year	**(77.86)**	(2,684.17)

DIVIDEND:

As the Company is in the process of implementing the refinery project and there is no operating income, your directors have not recommended any dividend for the year.

PROGESS OF THE PROJECT:

The Company has a plan to set up crude oil refinery in Haldia, West Bengal. During the year, the progress of the project was severely hampered and project implementation has come to standstill due to factors beyond the control of the Company. As stated in the last Annual Report, SEBI, while investigating certain entities in regard to "Market Manipulation using GDR issues" had by its ex-parte order No.WTM/PS/ISD/02/2011 dated September 21, 2011, which was later confirmed vide order dated December 30, 2011, directed our Company not to issue equity shares or any other instruments convertible into equity shares or alter capital structure in any manner till further directions in this regard. The said order of SEBI is still subsisting.

Subsequently SEBI had from time to time sought further information for early completion of the investigations in the matter and also summoned the Managing Director for a Personal Appearance, which was complied with and queries of SEBI were replied to. The Company is regularly following up with SEBI and expects to receive the final orders from SEBI anytime soon, after which the Company will take necessary steps for tie up of funds and start project implementation.

After signing the agreements with Hardt Group for purchase of refinery equipment and with the set of refining equipment for which the Company had already contracted and paid advances, the Company revised the capacity of refinery envisaged in Haldia to 10 MMTPA from 5 MMTPA. It filed an application to Ministry of Environment to enhance the approval for putting up 200,000 bpd equivalent to 10 MMTPA capacity refineries. However, the Ministry vide its letter dated September 20, 2011 declined the request as Haldia has been notified as a critically polluted area and no new capacity or expansion can be permitted till it is de-notified. Meanwhile, the Company lost the Bayernoil equipment as it couldn't fulfill its contractual commitments. The Company's various efforts to restart the project also failed due to the embargo on issue of new equity by SEBI. Hardt Group has also stopped infusing further funds pending revocation of SEBI order.

In the light of the above the Company intends to proceed with only a 5 MMTPA refinery on receiving favourable orders from SEBI. The Project cost for setting up of 5 MMTPA refinery with equipments contracted from Hardt Group along with balancing equipments is estimated at around US $ 1 billion, which would be funded by a Debt:Equity ratio of 70:30. The equity requirement will be met by issue of GDRs to the Hardt group and the existing equity.

Hardt Group had agreed become a strategic investor in the Company and assist it in implementing the refinery project and had brought in ₹ 136.52 million during March'11 to March'12, through Abboro Limited (another affiliate of Hardt Group), which enabled the Company to meet its funding for working capital and project activities.

Though the contracts entered with affiliates of Hardt group have expired as of now, Hardt Group has indicated their willingness to extend the same once a favourable order from SEBI is received. The Company is confident of the support of Hardt Group in implementing the project after receiving a favourable order from SEBI.

STATUS OF FINAL ORDER FROM SEBI:

The Company is regularly following up with SEBI and is expecting the final orders anytime soon. However at the same time, as considerable time has elapsed since the ex-parte interim order passed by SEBI in September 2011, the Board has also severally authorized the Executive Chairman and Managing Director of the Company to approach the Securities Appellate Tribunal (SAT) at the appropriate time and to take necessary steps in this regard.

STATUS OF FIPB, CCEA APPROVAL:

The Company's proposal for issue of such GDRs to Tagore and Amber, aggregating US $ 317 million was approved by the Foreign Investment Promotion Board (FIPB) in their meeting held on May 20, 2011. Since the amount of issue had exceeded ₹ 12,000 million, the proposal was recommended to Cabinet Committee on Economic Affairs (CCEA). However, prior to receipt of the CCEA approval, SEBI in September'11, had issued directions to the Company not to issue equity or any other instruments convertible into equity or alter capital structure in any manner.

Pursuant to the SEBI order, FIPB, had also withdrawn its approval. The Company had represented to FIPB requesting them to reconsider their decision. However, FIPB had rejected our request vide its letter dated July 23, 2012 in view of change in the FDI Policy with effect from April 1, 2012. The Company has again represented to FIPB, stating that the proposal was earlier approved under the then prevailing FDI policy and the delay was on account of factors beyond the Company's control, which has also been rejected by FIPB vide their letter dated November 2, 2012 for want of final orders from SEBI.

The Company now proposes to take up the matter with FIPB, once the favourable order from SEBI is received.

STATUS OF LAND AT HALDIA:

Haldia Development Authority (HDA), had offered land admeasuring about 400 acres at Haldia, West Bengal to the Company for setting up the project, stipulating a lease premium of ₹ 600 million. As the Company could not pay the said lease premium pending financial closure, it entered into a tripartite agreement along with HDA and West Bengal Industrial Development Corporation Limited (WBIDC), whereby, WBIDC paid the lease premium and other development charges to HDA and gave permissive possession of the land to the Company for six months from the date of the agreement, subject to compliance with certain conditions. Since the Company could not comply with these conditions, it had requested additional time from WBIDC for the same. Though WBIDC granted such extension, it stipulated additional conditions relating to tie up of equity and achievement of financial closure for the project, which could not be complied with as the SEBI order was subsisting. The Company had accordingly informed WBIDC, requesting further extension, which was not acceded to and WBIDC had withdrawn the permissive possession.

The Company has again represented to WBIDC requesting time till March 2014 for complying with the conditions. The strategic investor Hardt group has agreed to provide the required funding to clear the dues of WBIDC, subject to the condition that the Company obtains a favourable order from SEBI and gets the required extension from WBIDC. The management is confident of sourcing the required funds for clearance of the WBIDC dues and getting extensions on annulment of the SEBI order.

DIRECTORS:

Mr. D. Sundararajan retires by rotation as required under the Companies Act, 1956 and being eligible, offers himself for reappointment.

Mr. Sarvesh Goorha, Non- Executive Independent Director of the Company, resigned from the Board vide his letter dated May 25, 2013 and the same was accepted by the Board of Directors, in their meeting held on May 30, 2013. The Directors would like to place on record their appreciation of the contributions made by Mr. Sarvesh Goorha during his tenure as the Non- Executive Independent Director.

Mr. R. Rajagopalan was co-opted as the Additional Director on the Board of the Company with effect from May 30, 2013 and holds office as such upto the ensuing Annual General Meeting. Notice from the shareholders together with necessary deposit proposing their names as Directors have been received.

FIXED DEPOSITS:

The Company has not accepted any deposit under section 58A of the Companies Act, 1956, during the financial year under review.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a compliance report on Corporate Governance is annexed as part of the Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Director's Responsibility Statement, the Directors confirm on the basis of information placed before them by the Management and Auditors: -

1. That in the preparation of the annual accounts for the Financial Year ended March 31, 2013, the applicable Accounting Standards have been followed;
2. That the Company has selected appropriate accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair state of the affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for the year under review;
3. That the Company has taken proper and sufficient care 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; and
4. That the accounts of the Company for the financial year ended March 31, 2013 have been prepared on a going concern basis.

CODE OF CONDUCT:

The Company has established the Code of Conduct which is applicable to Directors, Senior Management and Employees of the Company. This Code is based on fundamental principles, viz. good corporate governance and good corporate citizenship. The Code covers Company's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability and legal compliance. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme:

"All Directors, Officers and employees of the Company are committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, officer and employee is expected to comply with the letter and spirit of this Code."

AUDITOR'S REPORT:

Auditor's Report read together with Annexures referred to in Paragraph 3 of the Auditor's Report do not contain any qualification and do not call for any explanation/clarification.

AUDITORS:

M/s Kanu Doshi Associates, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and have expressed their willingness and eligibility to continue in the office, if reappointed.

Members are requested to reappoint them and authorize the Board to fix their remuneration and pay out of pocket expenses.

LISTING OF SECURITIES:

Your Company's securities are currently listed with Bombay Stock Exchange. The Company's Global Depository Receipts (GDRs) are listed at Luxembourg Stock Exchange. The Company has paid the listing fees to Bombay Stock Exchange and Luxembourg Stock Exchange for the financial year 2013-14 and Calendar Year 2013 respectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO:

As the company is not covered in Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988, provisions of Section 217(1) (e) of the Companies Act, 1956 are not applicable.

The details of the foreign exchange earnings and outgo during the year have been given in the schedules to the accounts.

PARTICULARS OF THE EMPLOYEES:

There is no employee drawing the salary as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from Regulatory Bodies, Government, Bankers, stakeholders and other business associates who have extended their valuable, sustained support and encouragement during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for your continued support in the future.

For and on behalf of the Board

Place : New Delhi — **(Deep Kumar Rastogi)**

Date : July 9, 2013 — Executive Chairman

To the Members of

Cals Refineries Limited

We have examined the compliance of conditions of Corporate Governance by Cals Refineries Ltd., for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no Share Transfer cum Grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholder's/Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Priya Gupta & Associates
Company Secretaries

Place : Delhi
Date : July 9, 2013

(Priya Gupta)
Proprietor
M. No.- 22710
C.P. No.- 8180

CEO/CFO CERTIFICATION

To
Board of Directors
Cals Refineries Limited

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material facts 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.

(b) There are, to the best of their 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.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) 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.

(D. Sundararajan)
Managing Director

(Rekha Sarda)
V.P. - Finance

Place : New Delhi

Date : July 9, 2013

REPORT ON CORPORATE GOVERNANCE

The Company is in compliance with clause 49 of its listing agreement with the BSE and the Indian corporate governance rules applicable to it.

From March 31, 2001 various corporate governance provisions became applicable to all members of the BSE 200 and the S&P, C&X and Nifty indices, as well as to all newly listed companies. In March 2002 this requirement was extended to companies with paid up capital of over ₹ 100,000,000 all of which have had a net worth of over ₹ 250,000,000. In March 2003 the capital threshold was reduced to ₹ 30,000,000. All companies are required to submit quarterly compliance reports to the stock exchanges on which their shares are listed within 14 days of the end of each financial quarter, including reports on the following eight areas:

1. Company's Philosophy on Code of Governance

Your Company believes that adoption of sound Corporate Governance practices ensures attainment of highest levels of transparency, accountability and equity in all facets of business. The Company has always worked towards building trust with shareholders, employees, suppliers and other stakeholders.

The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to cope up with its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

2. Board of Directors

The Board of Directors consists of 5 directors.

Composition and category of Directors is as follows:

Category	Name of the Directors
Promoter Director	Deep Kumar Rastogi
Non Executive and Independent Directors	Alexander Walter Schweickhardt Sameer Rajpal R. Rajagopalan*
Whole Time Director	D. Sundararajan

*Appointed w.e.f. May 30, 2013

Attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship (other than Pvt. Ltd. Companies) and Chairmanship/Membership of Committee of each Director in various companies including the Company:

Name of The Directors	Attendance Particulars		No. of other directorships (other than Pvt. Ltd. Co.) and committee member/chairmanship		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Deep Kumar Rastogi	4	Yes	2	3	-
D. Sundararajan	4	Yes	2	3	2
Alexander Walter Schweickhardt	-	No	6	5	-
Sameer Rajpal	4	Yes	1	2	-
Sarvesh Kumar Goorha*	3	Yes	N.A	N.A	N.A
R. Rajagopalan**	N.A	N.A	N.A	N.A	N.A

*Resigned on May 25, 2013 ** Appointed w.e.f. May 30, 2013

Number of Board Meetings held and the dates on which held

During the year, five Board Meetings were held on May 29, 2012, August 13, 2012, September 26, 2012, November 09, 2012 and February 11, 2013.

3. Committees of the Board

(a) Audit Committee

The terms of reference stipulated by the Board to the Audit Sub Committee are, as contained under Clause 49 of the Listing Agreement, as follows:

a. To oversee financial reporting and disclosure process.

b. To recommend the appointment and removal of statutory auditors and decide their remuneration.

c. To review financial results and statements, before submission to the Board, focus primarily on-

- Any change in accounting policies and practices.
- Major accounting entries, based on exercise of judgment by the management.
- Qualifications in the draft audit report.

- Significant adjustments arising out of the audit.
- Going concern assumption.
- Compliance with accounting standards.
- Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with larger interests of the Company.

d. To oversee adequacy of internal control systems.

e. Reviewing adequacy of internal audit function, coverage and frequency of internal audit report.

f. Discussion with internal auditors and concurrent auditors on any significant findings in their reports and follow up thereon.

g. Discussion with external auditors before audit commences, as regards nature and scope of audit, as well as having post audit discussions to ascertain any areas of concern.

h. Reviewing the Company's financial and risk management policies.

During the year, the Committee has met four times on May 29, 2012, August 13, 2012, November 07, 2012 and February 11, 2013.

The Audit Committee comprised of Mr. Alexander Walter Schweickhardt, Mr. Sameer Rajpal and Mr. Sarvesh Kumar Goorha in the year 2012-13. However, Mr. Sravesh Kumar Goorha had submitted his resignation from the Board of Directors vide letter dated May 25, 2013, which was accepted in the Board Meeting held on May 30, 2013. In the same meeting the Board co-opted Mr. R. Rajagopalan as an additional director of the Company and also appointed him a member of the Audit Committee with immediate effect.

Mr. R. Rajagopalan is presently the Chairman of the committee. The minutes of each Audit Committee meeting are placed before and discussed in the Board.

Attendance of each member at the Audit Committee held during the year.

Name of Committee Members	No. of meetings held	No. of meetings attended
Alexander Walter Schweickhardt	4	Nil
Sameer Rajpal	4	4
Sarvesh Kumar Goorha*	4	4
R. Rajagopalan#	-	-

* Ceased to be the member w.e.f. May 25, 2013, #Appointed member w.e.f. May 30, 2013

(b) Remuneration Committee

The Remuneration Committee comprised of Mr. Alexander Walter Schweickhardt, Mr. Sameer Rajpal and Mr. Sarvesh Kumar Goorha in the year 2012-13. However, Mr. Sarvesh Kumar Goorha had submitted his resignation from the Board of Directors vide letter dated May 25, 2013, which was accepted in the Board Meeting held on May 30, 2013. In the same meeting the Board co-opted Mr. R. Rajagopalan as an additional director of the Company and also appointed him a member of the Audit Committee with immediate effect.

The Remuneration Committee is constituted as per the provisions of schedule XIII of the Companies Act, 1956 and clause 49 of the listing agreement entered by the Company with the Stock Exchanges.

The Broad terms of reference of the Remuneration Committee are to review the performance of the Executive Directors, after considering the Company's performance and also to give recommendations to the Board, as and when required for their remuneration including salary, perquisites and commission to be paid to them, keeping in view the overall remuneration structure in the industry.

The Committee did not meet during the year.

Details of remuneration paid to the Directors for the year:

Mr. Deep Kumar Rastogi, Executive Chairman and Mr. D. Sundararajan, Managing Director, have opted not to take any managerial remuneration.

Mr. Alexander Walter Schweickhardt has opted not to take any sitting fees. The sitting fees paid for the year ended March 31, 2013, to the Directors are as follows:

Name of Directors	Sitting Fees (₹)
Mr. Sarvesh Kumar Goorha	40,000
Mr. Sameer Rajpal	45,000

(c) Share Transfer Cum Shareholder's/Investor's Grievance Committee

Constitution: The Board of Directors of the Company has reconstituted the Share Transfer cum Shareholder's /Investor's Grievance Committee on May 30, 2013, comprising of Mr. Deep Kumar Rastogi and Mr. Sameer Rajpal, replacing Mr. Sarvesh Kumar Goorha, as he ceased to be on the Board of the Company w.e.f May 25, 2013. The Committee is chaired by Mr. Sameer Rajpal.

The members of the Committee have opted not to take the sitting fees for Share Transfer cum Shareholder's/Investor's Grievance Committee meetings.

Objective : The committee oversees redressal of shareholder's and investor's grievances, transfer of shares, non - receipt of balance sheet, and related matters. The committee also oversees the performance of the registrar and share transfer agent, recommends measures for overall improvement in the quality of investors services, approves issue of duplicate / split / consolidation of share certificates and reviews all matters connected with the securities transfers.

Mr. Suvindra Kumar, Company Secretary is the Compliance officer of the Company as per the Listing Agreement, and performs as a secretary to the Committee his e-mail ID: *cs@calsrefineries.com.*

The main areas and functions looked after by Share Transfer and Shareholder's/Investor's Grievance Committee are as under:

1. Redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, if any etc.
2. Consolidation and sub-division of share certificates.
3. Approving the transfer(s), transmission(s) and issue of duplicate share certificates.
4. To oversee the performance of the Registrar and Transfer Agent of the Company.

The Company has 3 Complaints pending at the beginning of the year and it received 3 complaints from the shareholders during the year. All the 6 Complaints have been resolved by furnishing requisite informations/documents. There were Nil complaints pending as on March 31, 2013.

4. General Body Meetings

Location and time for the last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2011-2012	AGM	Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074.	26.09.2012	10.30 a.m.
2010-2011	AGM	Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074.	27.09.2011	10.30 a.m.
2009-2010	AGM	Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074.	28.07.2010	10.30 a.m.

In the last three financial years, special resolutions as set out in the schedule below were passed by the members of the Company either in AGM/EGM or through Postal Ballot:

2012-2013

AGM (26.09.2012)

No special Resolution was passed

2011-2012

AGM (27.09.2011)

Issue of Equity Shares under Section 81(1A) of the Companies Act, 1956 to Abboro Limited up to US $ 7 million at par for cash.

2010-2011

AGM (28.07.2010)

Preferential Allotment of 188,800,000 equity shares of ₹ 1/- each to Nyra Holdings Private Limited, at par under Section 81(1A) of the Companies Act, 1956.

Resolutions Passed by Postal Ballot Notice dated March 28, 2011

Seven resolutions were passed through Postal Ballot, details of which are as follows:

Resolution No. 1

Alteration of Article 3 of Capital Clause in Articles of Association.

Resolution No. 2

Issue of Equity Shares under Section 81(1A) of the Companies Act, 1956 to Nyra Holdings Private Limited up to ₹ 60,000,000 at par for cash.

Resolution No. 3

Issue of Equity shares under Section 81(1A) of the Companies Act, 1956 to Abboro Limited up to US $ 7 million at par for cash.

Resolution No. 4

Issue of Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs)/Foreign Currency Convertible Bonds (FCCB)/QIPs/Others Securities under Section 81(1A) of the Companies Act, 1956 up to US $ 175 million to Tagore Investments S.A. against purchase of refinery.

Resolution No. 5

Issue of Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs)/Foreign Currency Convertible Bonds (FCCB)/QIPs/Others Securities under Section 81(1A) of the Companies Act, 1956 up to US $ 142 million to Amber Energy S.A. against purchase of refinery.

Resolution No. 6

Appointment of Mr. D. Sundararajan, Whole Time Director designated as Managing Director.

Resolution No. 7

Appointment of Mr. Deep Kumar Rastogi, Whole Time Director designated as Executive Chairman.

Postal Ballot Process:

The Postal Ballot Process was undertaken in accordance with the provisions of Section 192A of the Companies Act,1956 read with Companies (Passing of Resolution by Postal Ballot), Rules 2001.

Mr. M. V. Sreenivas, a Practicing Company Secretary, New Delhi was appointed as the Scrutinizer for conducting the Postal Ballot process.

Details of Voting Pattern

Particulars (as per the order mentioned above)	No. of Valid Postal Ballot Forms received	Percentage Votes in favour of the Resolution	Percentage Votes Against the Resolution	Number of Invalid Postal Ballot forms received
Resolution No.1	1974	4.60	0.02	150
Resolution No.2	1974	4.54	0.09	150
Resolution No.3	1974	4.53	0.10	150
Resolution No.4	1974	4.61	0.01	150
Resolution No.5	1974	4.62	0.01	150
Resolution No.6	1974	4.60	0.02	150
Resolution No.7	1974	4.61	0.01	150

Date of Declaration of Results of Postal Ballot:

The Executive Chairman announced the result of Postal Ballot at the Registered Office of the Company on May 2, 2011. All the statutory formalities relating to the changes have been complied with.

5. a. **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, 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.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

b. **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.**

As we reported in the last year Annual Report SEBI, while dealing with certain entities in case of market manipulation by issue of GDRs, had vide its ex-parte order No.WTM/PS/ISD/02/2011 dated September 21, 2011 issued directions to the Company not to issue equity shares or any other instruments convertible into equity shares or alter capital structure in any manner till further directions in this regard. The said order was confirmed by SEBI on December 30, 2011 and is still subsisting.

6. **Means of Communication**

Quarterly Results

The quarterly results/disclosures is published in Pioneer/Business Standard and Jan Satta/Veer Arjun, New Delhi.

The financial results/disclosure is displayed on www.cals.in

7. **General Shareholder Information**

7.1 Annual General Meeting (For financial year 2012-2013)

Date and Time	:	Friday, September 27, 2013 at 10.30 a.m.
Venue	:	Executive Club, Dolly Farms & Resorts,
		439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074.

7.2 Financial Calendar (Tentative and subject to change)

Financial Results/Disclosure for the Quarter ending June 2013	July/August 2013
Financial Results/Disclosure for the Quarter ending September 2013	October/November 2013
Financial Results/Disclosure for the Quarter ending December 2013	January/February 2014
Financial Results/Disclosure for the Quarter ending March 2014	April/May 2014
Annual General Meeting	September 2014

Books closure date: Friday, September 20, 2013 to Friday, September 27, 2013 (Both days inclusive).

7.3 Listing of Equity Shares on Stock Exchanges at	**The Bombay Stock Exchange, Mumbai**
- Listing of Global Depository Receipts (GDRs) on Stock Exchanges at	**Luxembourg**
7.4 (a) Stock Code	
- Bombay Stock Exchange-	**Trading Symbol- CALSREF- 526652**
- Luxembourg Stock Exchange-	**CUSIP- 13135M102**
(b) Demat ISIN Number in NSDL/CDSL for Equity Share	ISIN No. INE 040C01022
(c) Demat ISIN Number in Luxembourg for Global Depository Receipt (GDR)	ISIN No. US13135M1027

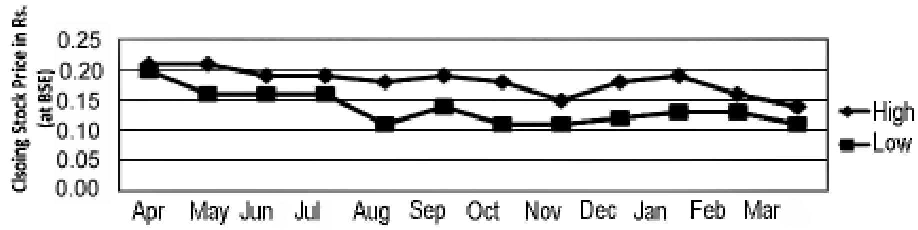
7.5 Stock Market Data

Months	Share Price (BSE) (In ₹)		SENSEX		Volume (No. of Shares)
	Month's High Price	Month's Low Price	Month's High	Month's Low	
April 2012	0.21	0.20	17,664.10	17,010.16	16,57,92,926
May 2012	0.21	0.16	17,432.33	15,809.71	24,31,71,789
June 2012	0.19	0.16	17,448.48	15,748.98	14,52,22,160
July 2012	0.19	0.16	17,631.19	16,598.48	15,27,57,095
August 2012	0.18	0.11	17,972.54	17,026.97	24,77,89,141
September 2012	0.19	0.14	18,869.94	17,250.80	15,71,81,942
October 2012	0.18	0.11	19,137.29	18,393.42	30,27,54,792
November 2012	0.15	0.11	19,372.70	18,255.69	17,93,42,143
December 2012	0.18	0.12	19,612.18	19,149.03	18,14,88,802
January 2013	0.19	0.13	20,203.66	19,508.93	11,24,31,983
February 2013	0.16	0.13	19,966.69	18,793.97	8,38,61,138
March 2013	0.14	0.11	19,754.66	18,568.43	8,31,18,156

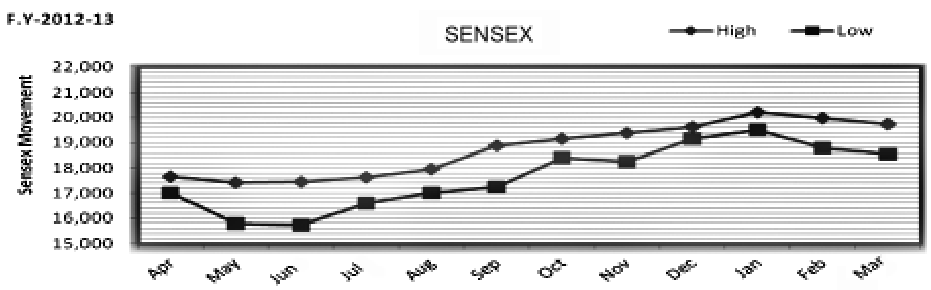
Source: www.bseindia.com

Our Stock Performance for the year 2012-13:

STOCK PERFORMANCE - CALS F.Y. 2012-13



Sensex Movement for the year 2012-13:



7.6 Registrar and Share Transfer Agents:

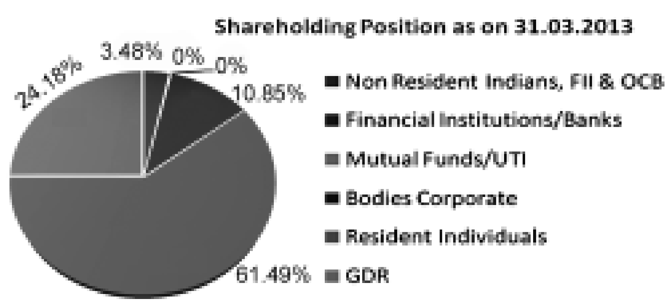
MCS Limited
F-65, I[st] Floor, Okhla Industrial Area, Phase I,
New Delhi 110 020
E-Mail: admin@mcsdel.com

7.7 Share Transfer System

Presently, the share transfers, which are received in physical form, are processed and the share certificates returned within the prescribed time period, subject to the documents being valid and complete in all respects.

7.8 Distribution of shareholding as on March 31, 2013:

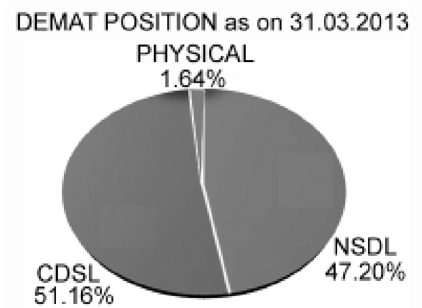
Categories	No. of Shares	% age
Non Resident Indians/FII	288,558,333	3.48
Financial Institutions/Banks	123,000	0.00
Mutual Funds/UTI	112,000	0.00
Bodies Corporate	900,005,583	10.85
Resident Individuals	5,099,624,734	61.49
GDR	2,005,539,450	24.18
Total	**8,293,963,100**	**100.00**



7.9 Dematerializations of shares and liquidity

As at the end of March 31, 2013, 8157863435 Equity Shares (98.36% of the equity capital of the Company) were dematerialized. The Following table shows the details relating to dematerialisation of shares of the Company:

Particulars	No. of Shares	% age
NSDL	3,915,048,750	47.20
CDSL	4,242,814,685	51.16
PHYSICAL	136,099,665	1.64
Total	**8,293,963,100**	**100.00**



7.10 Outstanding GDR's

The GDR's outstanding as on March 31, 2013 are 40,110,789 representing underlying 2,005,539,450 Equity Shares listed at Luxembourg Stock Exchange.

7.11 Plant Location		Mouza-Debhog, Bhabanipur, Haldia, Purba Midinipur, West Bengal - 721 657
7.12 (i)	**Investor Correspondence** (For transfer/dematerlisation of shares and any other query related to the shares of the Company)	**For shares held in physical form** MCS Limited F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110 020 Phone: 011-41406149/50/51 Fax: 011-41709881 E-Mail: admin@mcsdel.com **For shares held in Dematerialised form** To the depository participant
(ii)	**Any query on Annual Report**	Cals Refineries Limited Shares Department 21 Basant Lok Complex, Vasant Vihar, New Delhi-110 057 Phone: 011-40537600/40534750 Fax: 011-40537914 E-Mail: cs@calsrefineries.com

DECLARATION

It is hereby declared that all the Board Members and senior management of the Company have reaffirmed adherence to and compliance with the 'Code of Conduct' laid down by the Company.

Place : New Delhi
Date : July 9, 2013

(D. Sundararajan)
Managing Director

FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', 'envisages/ envisaged' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from any forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

GLOBAL SCENARIO

During the year 2012, the Global Economy slowed down to 3.2% as against a growth of 3.9% during the previous year on account of continued Euro zone crisis coupled with austerity measures adopted by several developed countries resulting in lower spending which further slowed down the recovery process. Though the US Economy did improve marginally, the growth momentum is expected to be slowed down on concerns of fiscal tightening. Among the emerging markets China grew at 7.8% in 2012, as against 9.3% in the previous year and India registered the slowest ever growth of 5.0% in 2012-13 on the backdrop of weakness in all its sectors namely industry, agriculture and Services.

In spite of being dominant fuel among all energy sources, accounting for 33.1%, oil consumption grew by only 890,000 barrels per day (BPD) i.e., 0.9%, far below the Global historical averages, due to sluggish growth in major part of the world. While the consumption in Organization for Economic Co-operation and Development (OECD) countries declined by 1.3% (530,000 BPD), the sixth decrease in the past seven years, the Non-OECD countries, consumption grew by 1.4 million BPD, or 3.3%. Asian countries China again recorded the largest increment to global consumption (+470,000 b/d, +5%) although the growth rate was below the 10-year average and Japanese consumption grew by 250,000 BPD (+6.3%), the strongest growth increment since 1994.

Global crude oil production, in contrast, increased by 1.9 million b/d, or 2.2%. Organization of the Petroleum Exporting Countries (OPEC) accounted for about three-quarters of the global increase despite a decline in Iranian output (-680,000 b/d) due to international sanctions. Libyan output (+1 million b/d) nearly regained all of the ground lost in 2011. For a second consecutive year, output reached record levels in Saudi Arabia, the UAE and Qatar. Iraq and Kuwait also registered significant increases. Non-OPEC output grew by 490,000 b/d, with increases in the US (+1 million b/d), Canada, Russia and China offsetting unexpected outages in Sudan/South Sudan (-340,000 b/d) and Syria (-160,000 b/d), as well as declines in countries like United Kingdom and Norway. The Brent crude oil prices also remained more or less constant with a meager increase of USD 0.41during the year to US $ 111.67.

The net refining capacity increased by 360,000 BPD during the year. The increased capacity in China (710,000 BPD) and India (300,000 BPD) was more than offset by reduced capacities in Europe (700,000 BPD) and Caribbean (570,000 BPD) reinforcing the fact that the capacity additions are moving from OECD countries to Non OECD countries.

INDIAN SCENARIO

The Indian economy registered a worst ever performance during the year ended March, 2013 growing by just 5% against 6.5% in the previous year with current account deficit (CAD) of 4.8% against 4.2% in the previous year.

Though a net exporter of refined products, India is heavily dependent on crude oil imports and around 79% of the crude requirements are met out of imports. Against the crude oil production target of 206.73 MMT in the Eleventh Plan, the actual achievement during the period was only 177 MMT, 14% below the target. During the year ended March 2013, Crude oil production registered a negative growth of 0.6%, with production at 37.86 million tonnes against 38.09 million tonnes in the previous year.

During the year ended March, 2013, the country imported 182.5 million tonnes of crude oil at a cost of US $ 144 billion. In addition to increased imports, the continuously falling rupee is further compounding the problems leading to higher inflation. This leaves very little room for the Reserve Bank of India to reduce the interest rates.

As per the provisional data released by Petroleum Planning and Analysis Cell (PPAC) during the year ended March, 2013 the country processed 218.85 million tonnes of crude oil, an increase of 7.4% over the previous year. During the same period consumption of petroleum products showed an increase of 4.9% at 155.417 million tonnes.

As per the projections for the 12th Five Year Plan, Demand of petroleum products is projected to increase at an annual rate of 4.7% during Plan period and the consumption of products is estimated to increase from 147.98 MMT in 2011-12 to 186.21 MMT by 2016-17. The demand for diesel will continue to be dominant followed by MS and LPG. The crude oil production is estimated to increase to 216.337 million tonnes during the 12th Five Year Plan. The total refining capacity is projected to increase to 313.57 MMTPA by the end of the Twelfth Plan. The Govt. has taken a number of steps to fast track oil exploration projects to reduce imports.

The industry is burdened by controlled prices for a number of products, resulting in under-recoveries for the oil companies. Though the Govt. had taken steps to address these concerns from 2012 onwards by de-regulating the price of petrol, adjustment of diesel prices and putting a limit on highly subsidized LPG, under-recoveries remain large and the subsidy provided in the budget covers only a fraction of this. Going forward, steps will have to be taken to periodically adjust the prices of petroleum products like diesel, kerosene and LPG to reduce the under-recoveries which are currently borne by the Government and upstream oil companies.

With the measures taken by the Govt. along with the stabilization of the international crude oil prices coupled with improving margins, it is estimated that the industry would perform better during the next financial year.

BUSINESS DEVELOPMENT

As mentioned in our report of last year, most of the refineries are located in the Western Region of the Country leading to shortfalls in the Eastern and Northern Regions. Considering the possibilities of advantageously exploiting the shortfall in Eastern and Northern Regions, the Company had planned to set up a refinery project at Haldia in West Bengal.

PROJECT SCENARIO

The Company has a plan to set up crude oil refinery in Haldia, West Bengal. During the year, the progress of the project was severely hampered and project implementation has come to standstill due to factors beyond the control of the Company. As stated in the last Annual Report, SEBI, while investigating cases related to "Market Manipulation using GDR issues" had by its ex-parte order No.WTM/PS/ISD/02/2011 dated September 21, 2011, which was later confirmed vide order dated December 30, 2011, directed our Company not to issue equity shares or any other instruments convertible into equity shares or alter capital structure in any manner till further directions in this regard. The said order of SEBI is still subsisting.

Subsequently SEBI had from time to time sought further information for early completion of the investigations in the matter and also summoned the Managing Director for a Personal Appearance, which was complied with and queries of SEBI were replied to. The Company is regularly following up with SEBI and expects to receive the final orders from SEBI shortly, after which the Company will take necessary steps for tie up of funds and start project implementation.

Pursuant to the SEBI order, FIPB, which had on May 20, 2011, approved the Company's proposal for issue of equity in the form of GDR aggregating US $ 317 million to affiliates of Hardt group against import of refinery equipments has also withdrawn its approval. The Company had represented to FIPB requesting them to reconsider their decision. However, FIPB had rejected our request vide its letter dated July 23, 2012 in view of change in the FDI Policy with effect from April 1, 2012. The Company has again represented to FIPB, stating that the proposal was earlier approved under the then prevailing FDI policy and the delay was on account of factors beyond the Company's control, which has also been rejected by FIPB vide their letter dated November 2, 2012 for want of final orders from SEBI. The Company now proposes to take up the matter with FIPB, once the favourable order from SEBI is received.

After signing the agreements with Hardt Group for purchase of refinery equipment and with the set of refining equipment for which the company had already contracted and paid advances, the Company revised the capacity of refinery envisaged in Haldia to 10 MMTPA from 5 MMTPA. It filed an application to Ministry of Environment to enhance the approval for putting up 200,000 bpd equivalent to 10 MMTPA capacity refineries. However, the Ministry vide its letter dated September 20, 2011 declined the request as Haldia has been notified as a critically polluted area and no new capacity or expansion can be permitted till it is de-notified. Meanwhile, the Company lost the Bayernoil equipment as it couldn't fulfill its contractual commitments. The Company's various efforts to restart the project also failed due to the embargo on issue of new equity by SEBI. Hardt Group has also stopped infusing further funds pending revocation of SEBI order.

In the light of the above the Company intends to proceed with only a 5 MMTPA refinery on receiving favourable orders from SEBI. The Project cost for setting up of 5 MMTPA refinery with equipments contracted from Hardt Group along with balancing equipments is estimated at around US $ 1 billion, which would be funded by a Debt:Equity ratio of 70:30. The equity requirement will be met by issue of GDRs to the Hardt group and the existing equity.

LAND AT HALDIA- ITS STATUS

Haldia Development Authority (HDA), had offered land admeasuring about 400 acres at Haldia, West Bengal to the Company for setting up the project, stipulating a lease premium of ₹ 600 million. As the Company could not pay the said lease premium pending financial closure, it entered into a tripartite agreement along with HDA and West Bengal Industrial Development Corporation Limited (WBIDC), whereby, WBIDC paid the lease premium and other development charges to HDA and gave permissive possession of the land to the Company for six months from the date of the agreement, subject to compliance with certain conditions. Since the Company could not comply with these conditions, it had requested additional time from WBIDC for the same. Though WBIDC granted such extension, it stipulated additional conditions relating to tie up of equity and achievement of financial closure for the project, which could not be complied with as the SEBI order was subsisting. The Company had accordingly informed WBIDC, requesting further extension, which was not acceded to and WBIDC had withdrawn the permissive possession.

The Company has again represented to WBIDC requesting time till March 2014 for complying with the conditions. The strategic investor Hardt group has agreed to provide the required funding to clear the dues of WBIDC, subject to the condition that the Company obtains a favourable order from SEBI and gets the required extension from WBIDC. The management is confident of sourcing the required funds for clearance of the WBIDC dues and getting extensions on annulment of the SEBI order.

To,

The Members of CALS REFINERIES LIMITED

Report on the Financial Statements

We have audited accompanying financial statements of **CALS REFINERIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information. The financial statements for the year ended March 31, 2012 have been audited by another firm of Chartered Accountants. We have relied upon the same for the purpose of this report.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

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.

Emphasis of matter

Without qualifying our opinion we draw attention to:

(a) We have considered the adequacy of disclosure made in Note No.30 in the notes to financial statements concerning the Company's ability to continue as a going concern. The ability of the Company to continue to be a going concern significantly depends upon its ability to successfully arrange the balance funding and achieve financial closure to fund the refinery project.

(b) As better elucidated in Note 30 (c), in the view of the mutual non-fulfillment of contractual obligations arising out of company's contracts with certain suppliers/contractors, a liabilities amounting to ₹ 432.12 million has not been accrued.

(c) As better elucidated in Note 30 (a), an advance of ₹ 4583.44 million was paid to a supplier of plant and machinery. The ability of the Company to fulfill its contractual obligations cannot be presently determined and no adjustment with respect to such advance, that may result, has been made in the financial statements. The Company has also given advances amounting to ₹ 140.15 million to various suppliers/ contractors in terms of agreements executed by the Company for implementation of refinery project. Such advances may not be recoverable in the event of non-fulfillment of contractual obligations by the Company.

(d) As better elucidated in Note 30 (d), the acquisition rights of the leasehold land, depends upon the arrangement of funds to meet company's obligations and successful negotiation with WBIDC. The Company has entered into a tripartite agreement along with Haldia Development Authority (HDA) and West Bengal Industrial Development Corporation Limited (WBIDC). The Company was given permissive possession of the said land for a period of six months from the date of agreement, for the purpose of implementing the project. Since the Company was not in the position to comply with these conditions, it had requested WBIDC to extend the time limit. WBIDC had not acceded to the Company's request and had withdrawn the permissive possession of land. The Company has again requested WBIDC to allow time for clearance of the dues and extend the permissive possession till March, 2014. However, the Company, on going concern basis, has reflected land under fixed assets and lease payment liability towards the same under trade payables. The expenses incurred on land development (₹ 196.91 million) and civil work (₹ 49.64 million) which is included in cost of leasehold land and capital work in progress may not be recoverable.

(e) Expenses to the tune of ₹ 433.84 million reflected in capital work in progress have been incurred by the Company apart from the expenses as mentioned above. We are unable to comment on the recoverability and future economic benefit from such expenses.

The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003,("the order") 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   e) On the basis of the written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Kanu Doshi Associates**
Chartered Accountants
Firm Registration Number: 104746W

Ankit Parekh
Partner
Membership No: 114622

Place : Mumbai
Date : May 31, 2013

Referred to in paragraph 1 of **'Report on other Legal and Regulatory Requirements'** in our Report of even date on the accounts of CALS REFINERIES LIMITED for the year ended March 31, 2013.

i. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, all fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.

(c) During the year, the Company has not disposed off a substantial part of the fixed assets.

ii. The Company's nature of operations does not require it to hold inventories. Consequently, clause 4(ii) of the order is not applicable

iii. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence clauses (iii) (a) to (iii) (g) of paragraph 4 of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.

v. The Company has not entered into contracts or arrangements referred to in section 301 of the Act. Accordingly, the provisions of clause (v) of paragraph 4 of the order are not applicable to the Company.

vi. During the year, the Company has not accepted any deposits from the public. As such, the compliance with directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.

vii. In our opinion, the Company has internal audit system commensurate with the size of the Company and the nature of its business.

viii. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

ix. (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, though there has been a slight delay in few cases. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable except as mentioned below:

Sr. No.	Name of the Statute	Nature of the dues	Amount in ₹ (in million)
1.	Finance Act, 1994	Service tax and interest thereon	11.98

(b) There are no dues in respect of Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise duty, and cess that have not been deposited with appropriate authorities on account of any dispute.

x. The Company has accumulated losses at the end of the financial year exceeding fifty percent of its net worth. Further, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year.

xi. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders as at the Balance Sheet date.

xii. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments hence the provisions of the clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xv. According to the information and explanations given to us and the record examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xvi. The Company has not taken any term loan during the year.

xvii. On the basis of an overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion there are no funds raised on short-term basis, which 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 Companies Act, 1956 during the year.

xix. The Company has not issued debentures during the financial year and hence, the question of creating securities in respect thereof does not arise.

xx. During the year, the Company has not raised any money through Public Issue. Hence the clause 4(xx) of the order is not applicable.

xxi. On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

For **Kanu Doshi Associates**
Chartered Accountants
Firm Registration Number: 104746W

Ankit Parekh
Partner
Membership No: 114622

Place : Mumbai
Date : May 31, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(₹ in million)

Particulars	Note No.	As at March 31, 2013		As at March 31, 2012	
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share Capital	3	**8,293.96**		8,293.96	
(b) Reserves and Surplus	4	**(2,829.50)**		(2,751.64)	
			5,464.46		5,542.32
2. Share application money pending allotment	5	**15.76**	**15.76**	15.76	15.76
3. Non- current Liabilities					
(a) Long Term Provisions	6	**1.19**		1.43	
			1.19		1.43
4. Current Liabilities					
(a) Short Term Borrowings	7	**33.69**		7.40	
(b) Trade Payables	8	**959.36**		887.49	
(c) Other Current Liabilities	9	**13.24**		73.40	
(d) Short Term Provisions	6	**0.04**		0.18	
			1,006.33		968.47
TOTAL			**6,487.74**		6,527.98
II ASSETS					
1. Non-current assets					
(a) Fixed Assets					
(i) Tangible Assets	10	**992.95**		997.07	
(ii) Intangible Assets	10	**0.01**		0.02	
(iii) Capital Work-in-Progress	11	**483.48**		483.48	
(b) Long-term Loans and Advances	12	**4,762.90**		4,797.24	
(c) Other Non-current Assets	13	**246.24**		249.50	
			6,485.58		6,527.31
2. Current assets					
(a) Trade Receivables	14	**-**		-	
(b) Cash and Cash Equivalents	15	**1.89**		0.55	
(c) Short-term Loans and Advances	12	**0.27**		0.12	
			2.16		0.67
TOTAL			**6,487.74**		6,527.98
Significant Accounting Policies and Notes to Accounts	1 to 31				

As per our Report of even date

For **Kanu Doshi Associates**
Chartered Accountants

Per **Ankit Parekh**
(Partner)
Membership No. 114622
FRNo. : 104746W

Place : Mumbai
Date : May 31, 2013

For and on Behalf of the Board of Directors

Deep Kumar Rastogi
Executive Chairman

D. Sundararajan
Managing Director

Suvindra Kumar
Company Secretary

Rekha Sarda
VP- Finance

Place : New Delhi
Date : May 30, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in million)

Particulars	Note No.	For the year ended March 31, 2013		For the year ended March 31, 2012	
Income					
Revenue from operations					
Sale		**0.72**		-	
Other Income	16	**10.32**		7.74	
Total Revenue			**11.04**		7.74
Expenditure					
Purchases		**0.71**		-	
Employee Benefits Expenses	17	**7.44**		9.76	
Finance Costs	18	**84.28**		8.13	
Depreciation and Amortization Expenses	10	**0.86**		1.44	
Other Expenses	19	**15.33**		29.53	
Total Expenses			**108.62**		48.86
Profit/(Loss) before Exceptional Items			**(97.58)**		(41.12)
Exceptional Items	20		**(19.72)**		2,643.05
Profit/(Loss)			**(77.86)**		(2,684.17)
Earnings per Equity Share	21				
(1) Basic			**(0.01)**		(0.32)
(2) Diluted			**(0.01)**		(0.32)
Significant Accounting Policies and Notes to Accounts	1 to 31				

As per our Report of even date

For **Kanu Doshi Associates**
Chartered Accountants

Per **Ankit Parekh**
(Partner)
Membership No. 114622
FRNo. : 104746W

Place : Mumbai
Date : May 31, 2013

For and on Behalf of the Board of Directors

Deep Kumar Rastogi
Executive Chairman

D. Sundararajan
Managing Director

Suvindra Kumar
Company Secretary

Rekha Sarda
VP- Finance

Place : New Delhi
Date : May 30, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in million)

	For the year ended March 31, 2013	For the year ended March 31, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax as per Statement of Profit and Loss	**(77.86)**	(2,684.17)
Adjustment for :		
Depreciation and Amortization Expense	**0.86**	1.44
Loss on Fixed Assets Sold/Discarded	**2.71**	1.58
Net Gain on Sale of Current Investments	**-**	(2.50)
Balances - Written off	**(0.02)**	0.11
Capital Advance Written off	**-**	3,457.79
Interest Reversed	**(22.41)**	-
Liabilities Written Back	**(10.32)**	(5.24)
Transferred from "Pre-operative expenses pending allocation"	**-**	(859.26)
Operating Profit Before Working Capital Changes	**(107.04)**	(90.25)
Movements in working capital :		
Increase/(Decrease) in Trade Payables	**82.19**	34.82
Increase /(Decrease) in Long-Term Provisions	**(0.24)**	0.81
Increase /(Decrease) in Short-Term Provisions	**(0.05)**	0.08
Increase/(Decrease) in Other Current Liabilities	**(37.82)**	14.22
Decrease /(Increase) in Long-Term Loans and Advances	**34.34**	74.52
Decrease /(Increase) in Short-Term Loans and Advances	**(0.15)**	3.32
Cash Generated from /(used in) Operations	**(28.77)**	37.52
Direct Taxes Paid (Net of Refunds)	**-**	(0.00)
Net Cash Flow from/ (used in) Operating Activities (A)	**(28.77)**	37.52
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**-**	(85.20)
Proceed from Sale of Fixed Assets	**0.56**	0.43
Additions/Deletions in Capital Work in Progress	**-**	(17.41)
Net Gain on Sale of Current Investments	**-**	2.50
Net Cash Flow from/(used in) Investing Activities (B)	**0.56**	(99.68)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Share Capital	**-**	165.16
Proceeds from Share Application Money	**-**	(131.07)
Decrease in Miscellaneous Expenditure	**3.26**	1.15
Proceeds from Short-Term Borrowings	**26.29**	4.90
Net Cash Flow from/(used in) Financing Activities (C)	**29.55**	40.14
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	**1.34**	(22.02)
Opening Balance of Cash and Cash Equivalents	**0.55**	22.57
Closing Balance of Cash and Cash Equivalents	**1.89**	0.55
	1.34	(22.02)

As per our Report of even date

For **Kanu Doshi Associates**
Chartered Accountants

Per **Ankit Parekh**
(Partner)
Membership No. 114622
FRNo. : 104746W

Place : Mumbai
Date : May 31, 2013

For and on Behalf of the Board of Directors

Deep Kumar Rastogi
Executive Chairman

D. Sundararajan
Managing Director

Suvindra Kumar
Company Secretary

Rekha Sarda
VP- Finance

Place : New Delhi
Date : May 30, 2013

1. **Corporate information**

Cals Refineries Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The Company is in the process of setting up a crude oil refinery in Haldia, West Bengal with total capacity of approximately 5 million metric tonnes per annum (MMTPA).

2. **Significant accounting policies**

a) **Basis for preparation of financial statements**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) **Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

c) **Tangible Fixed assets and depreciation/amortisation**

(i) Fixed assets are stated at cost less accumulated depreciation/amortisation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Fixed assets under construction and cost of assets not ready for use as at the year-end are disclosed as capital work-in-progress.

(iii) Expenses incurred relating to project prior to commencement of commercial production are classified as "Pre-operative expenses pending allocation" and are disclosed under Capital work in progress (net of income earned during the project development stage).

(iv) Depreciation on fixed assets is provided on straight-line method (except intangible assets which are amortised over the period of three years) on pro rata basis from the date of addition at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 which are as under:

Asset category	**Rate of depreciation/amortization**
Computers	16.21% p.a.
Office equipments	4.75% p.a.
Furniture and fixtures	6.33% p.a.
Vehicles	9.50% p.a.
Building	1.63% p.a.

Assets costing ₹ 5,000 or less are individually depreciated at the rate of one hundred percent. Obsolete assets have been discarded during the year.

d) **Intangible Fixed assets and depreciation/amortisation**

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. Software is amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

e) **Expenditure During Construction Period**

Expenditure incurred during construction period which is directly or indirectly related to the project is included under Pre-operative Expenses and the same will be allocated to the respective Fixed Assets upon completion of construction.

f) **Leases**

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the "Statement of Profit and Loss" on a straight line basis over the lease term.

g) **Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred

h) **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 asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the "Statement of Profit and Loss". If at the balance sheet date there is an indication that 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.

i) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized when significant risk and rewards in respect of ownership of the goods are transferred to the customer. Revenue is stated net of trade discounts, rebates, sales return and sale tax or value added tax, where ever applicable.

j) Foreign currency transactions

Transactions in foreign currency and non-monetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognized income or as expense for the year.

k) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits (Revised 2005)

i) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the "Statement of Profit and Loss" in the year in which such gains or losses are determined.

ii) Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution payable is recognized as an expense in the year in which services are rendered by the employee.

iii) Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

iv) Other short term benefits

Expense in respect of other short-term benefits is recognized on the basis of the amount payable for the year during which services are rendered by the employee.

l) Taxation

Provision for tax comprises current income-tax and deferred tax. Current income-tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

m) Contingent liabilities and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, have been disclosed as a contingent liability in the financial statements.

n) Miscellaneous expenditure

Miscellaneous expenditure on account of increase in share capital and other related expenses are written off over a period of 5 years from the date of commencement of commercial production. Any reimbursements received from the depository are credited to "Miscellaneous expenditure" in the year such reimbursement is received.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.

3. Share Capital (₹ in million)

	As at March 31, 2013	As at March 31, 2012
Authorized shares		
Equity Shares of ₹ 1 each	**40,000.00**	40,000.00
	40,000.00	40,000.00
Issued, subscribed and paid-up		
Equity Shares of ₹ 1 each	**8,293.96**	8,293.96
Total issued, subscribed and paid-up share capital	**8,293.96**	8,293.96

a) The details of Shareholders holding more than 5% shares :

(in million)

Name of the Shareholder	31 March 2013 No. of Shares	31 March 2013 % held	31 March 2012 No. of Shares	31 March 2012 % held
Gagan Deep Kumar Rastogi	**1,110.00**	**13.38%**	1,110.00	13.38%

The above includes underlying Equity Shares in Global Depository Receipts.

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(in million)

Shares	31 March 2013 No. of Shares	31 March 2013 ₹	31 March 2012 No. of Shares	31 March 2012 ₹
At the beginning of the period	**8,293.96**	**8,293.96**	8,128.80	8,128.80
Issued during the period	**-**	**-**	165.16	165.16
Outstanding at the end of the period *	**8,293.96**	**8,293.96**	8,293.96	8,293.96
* The above includes underlying Equity Shares in Global Depository Receipts (GDR) and each GDR represents 50 underlying Equity Shares of ₹ 1 each.	**40.11**	**2,005.54**	40.19	2,009.54

c) Terms / rights attached to Equity Shares/ GDRs

The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share. Holders of GDRs will have no voting rights with respect to the Deposited Shares.

In case of Depository receipts, the Depository will, if so requested by the Board of Directors of the Company and subject to receipt from the Company of an opinion from the Company's legal counsel, (such counsel being reasonably satisfactory to the Depository, that to do so will not be illegal or violate any applicable law of India, or subject the Depository to liability to any Holder or any shareholder of the Company), either vote as directed by the Board or as conveyed by the Chairman of the Company or give a proxy or power of attorney to vote the Deposited Shares in favour of a Director of the Company or other person or vote in the same manner as those shareholders designated by the Board.

In the absence of receipt from the Company of an opinion from legal counsel as aforesaid, the Depository shall not have any obligation to exercise any voting rights and shall have no liability to the Company or any holder.

The Company declares and pays dividend in Indian rupees. During the year ended March 31, 2013, the amount of dividend recognized as distribution to equity shareholders was ₹ Nil per share (Previous year : ₹ Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has made preferential allotment in previous year of 165.16 million equity shares of ₹ 1/- each. The proceeds were utilised for payment of proposed GDR issue related expenses, project related expenses and other corporate expenses.

4 Reserves and Surplus (₹ in million)

	As at March 31, 2013	As at March 31, 2012
Profit and Loss Account		
Balance as per the last financial statements	**(2,751.64)**	(67.47)
Profit/ (Loss) for the period	**(77.86)**	(2,684.17)
	(2,829.50)	(2,751.64)
5 Share Application Money Pending Allotment		
Share application money pending allotment	**15.76**	15.76
	15.76	15.76
a) No. of equity shares of ₹ 1 each proposed to be issued at par	**15.76**	15.76

b) The Company has sufficient authorised capital to cover the share capital amount resulting from allotment of shares against share application money.

(₹ in million)

c) Period before which shares were to be allotted	**March 31, 2013 No. of shares**	March 31, 2012 No. of shares
October 19, 2011*	**2.09**	2.09
March 20, 2012*	**11.95**	11.95
August 28, 2012*	**1.72**	1.72
	15.76	15.76

d) The Company could not allot the Equity Shares against the pending Share Application Money by the stipulated date as Securities and Exchange Board of India (SEBI) vide its Order No. WTM/PS/ISD/2011 dated September 21, 2011 has directed not to issue equity shares or any other instrument convertible into equity shares or alter their capital structure in any manner till further directions in this regard.

6 Provisions (₹ in million)

	Long-term		**Short-term**	
	As at March 31, 2013	As at March 31, 2012	**As at 31 March 2013**	As at 31 March 2012
Provision for Employee Benefits				
Provision for Gratuity (Refer note 23)	**0.51**	0.63	**0.02**	-
Provision for Compensated Absences (Refer note 23)	**0.68**	0.80	**0.02**	0.09
	1.19	1.43	**0.04**	0.09
Other provisions				
Other provisions	**-**	-	**-**	0.09
	-	-	**-**	0.09
	1.19	1.43	**0.04**	0.18

7 Short-term Borrowings (₹ in million)

	As at March 31, 2013	As at March 31, 2012
Unsecured Loans Repayable on Demand *		
- From related party (refer note no. 28)	**31.19**	4.90
- From Directors	**2.50**	2.50
	33.69	7.40

* Loans Repayable on Demand are interest free loan.

8 Trade Payables

Micro, Small and Medium Enterprises (refer note no. 26 for details of dues to micro and small enterprises)	**-**	-
Others	**959.36**	887.49
	959.36	887.49

Trade Payable (others) includes ₹ 630 million as lease premium and interest ₹ 248.62 million, under an agreement for the permissive possession of the land, is not paid by the Company as per the terms of the agreement.

9 Other Current Liabilities

Service tax payable	**11.98**	71.96
TDS payable	**0.34**	0.34
Other current liabilities	**0.92**	1.10
	13.24	73.40

10 Fixed Assets (₹ in million)

Description	Gross Block				Depreciaiton and Amoritization				Net Book Value	
	As at April 1, 2012	Additions	Deductions/ Adjustments	As at March 31, 2013	As at April 1, 2012	Additions	Deductions/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Leasehold Land*	990.71	-	-	**990.71**	-	-	-	**-**	**990.71**	990.71
Computers	2.99	-	1.79	**1.20**	1.90	0.46	1.39	**0.97**	**0.23**	1.09
Vehicles	3.10	-	1.78	**1.32**	1.28	0.23	0.80	**0.71**	**0.61**	1.82
Office Equipments	0.96	-	0.42	**0.54**	0.22	0.04	0.10	**0.16**	**0.38**	0.74
Building	1.40	-	1.40	**-**	0.08	-	0.08	**-**	**-**	1.32
Furniture & fixtures	2.17	-	0.70	**1.47**	0.78	0.12	0.45	**0.45**	**1.02**	1.39
Total (A)	**1,001.33**	**-**	**6.09**	**995.24**	**4.26**	**0.85**	**2.82**	**2.29**	**992.95**	**997.07**
Software (B)	0.80	-	-	**0.80**	0.78	0.01	-	**0.79**	**0.01**	0.02
Total (A+B)	**1,002.13**	**-**	**6.09**	**996.04**	**5.04**	**0.86**	**2.82**	**3.08**	**992.96**	**997.09**
Previous Year	921.59	85.20	4.66	1,002.13	6.25	1.44	2.65	5.04	997.09	915.34

* Refer Note No. 30 d

11 Capital Work in Progress (₹ in million)

	As at March 31, 2013	As at March 31, 2012
Pre-operative expenses pending allocation (Refer note 11.1)	**432.51**	432.51
Consultancy fees	**1.33**	1.33
Factory building	**49.64**	49.64
	483.48	483.48
11.1 Pre-operative expenses pending allocation		
Opening Balance	**432.51**	(444.16)
Legal and professional expenses	**-**	17.41
Less: Transferred to Statement of Profit & Loss (Refer Note 20.a)	**-**	(859.26)
	432.51	432.51

12 Loans and Advances (₹ in million)

		Long-term		Short-term	
		As at March 31, 2013	As at March 31, 2012	**As at 31 March 2013**	As at 31 March 2012
Capital advances					
Unsecured, considered good		**4,723.59**	4,723.59	**-**	-
	(A)	**4,723.59**	4,723.59	**-**	-
Security deposit					
Secured, considered good		**-**	-	**0.01**	0.01
Unsecured, considered good		**0.50**	0.50	**-**	-
Doubtful		-	-	-	-
		0.50	0.50	**0.01**	0.01
Provision for doubtful security deposit		**-**	-	**-**	-
	(B)	**0.50**	0.50	**0.01**	0.01
Advances recoverable in cash or kind					
Secured considered good		**-**	-	**0.00**	0.01
Unsecured considered good		**7.21**	2.91	**-**	-
Doubtful		**42.83**	42.83	**-**	-
		50.04	45.74	**0.00**	0.01
Provision for doubtful advances		**42.83**	42.83	**-**	-
	(C)	**7.21**	2.91	**0.00**	0.01
Other loans and advances					
Prepaid expenses		**-**	-	**-**	0.10
Loans to employees		**-**	-	**0.26**	-
CENVAT credit receivable		**31.60**	70.24	**-**	-
	(D)	**31.60**	70.24	**0.26**	0.10
Total (A+ B + C + D)		**4,762.90**	4,797.24	**0.27**	0.12

13 Other Non Current Assets (₹ in million)

	As at March 31, 2013	As at March 31, 2012
Unamortized expenditure		
Global Depository Receipt (GDR) issue expenses	**223.45**	226.71
Equity Share Capital issue expenses	**22.79**	22.79
	246.24	249.50
14 Trade Receivables (non-current)		
Outstanding for a period exceeding six months from the date they are due for payment		
Doubtful	**4.60**	4.60
	4.60	4.60
Provision for doubtful receivables	**4.60**	4.60
	-	-
15 Cash and Cash Equivalents		
Balances with banks:		
- On current accounts	**1.85**	0.52
Cash on hand	**0.04**	0.03
	1.89	0.55

(₹ in million)

	For the year ended March 31, 2013	For the year ended March 31, 2012
16 Other Income		
Net gain on sale of current investments	**-**	2.50
Liabilities Written Back	**10.32**	5.24
Miscellaneous income	**-**	0.00
	10.32	7.74
17 Employee Benefit Expenses		
Salaries, wages and bonus	**6.67**	8.85
Contribution to provident and other fund	**0.75**	0.81
Staff welfare expenses	**0.02**	0.10
	7.44	9.76
18 Finance Costs		
Bank charges	**1.01**	0.06
Interest	**81.90**	-
Interest on outstanding statutory dues	**1.37**	8.07
	84.28	8.13
19 Other Expenses		
Communication	**0.16**	0.32
Legal and professional	**7.04**	10.82
Printing and stationery	**0.04**	0.07
Repair and maintenance - building	**0.08**	0.19
Repair and maintenance - others	**0.04**	0.52
Contactors and security services	**0.33**	1.02
Power and fuel	**0.00**	0.34
Auditor's remuneration (Refer 19(i))	**0.46**	0.92
Directors' sitting fees	**0.07**	0.08
Insurance	**0.02**	0.08
Rates and taxes	**3.50**	3.52
Rent	**0.09**	1.00
Travelling and conveyance	**0.60**	2.38
Miscellaneous expenses	**0.05**	0.82
Foreign Exchange - Gain/Loss	**2.85**	7.45
	15.33	29.53

(₹ in million)

(i) Payment to Auditors	March 31, 2013	March 31, 2012
As Auditor:		
-Audit fee	**0.45**	0.85
In other capacity:		
Other services (Certification fees)	**-**	0.04
Reimbursement of expenses	**0.01**	0.03
	0.46	0.92

20 Exceptional Items (₹ in million)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Balances - Written Off	**(0.02)**	0.11
Interest Reversed	**(22.41)**	-
Loss on Fixed Assets Sold/Discarded	**2.71**	1.58
Capital Advance Written off	**-**	3,457.79
Provision for doubtful advance	**-**	42.83
Transferred from "Pre-operative expenses pending allocation"	**-**	(859.26)
	(19.72)	2,643.05

a Detail of expenses incurred upto March 31, 2011 transferred from "Pre-operative expenses pending allocation".

(₹ in million)

Particulars	March 31, 2013	March 31, 2012
Foreign Exchange - Gain/Loss	**-**	(972.38)
Auditor's Remuneration	**-**	4.72
Directors' Sitting fees	**-**	1.65
ROC Exp.	**-**	0.02
Stock Exchange Fees	**-**	3.92
FCCB Expenses	**-**	54.05
Leasehold Improvement W/off	**-**	16.37
Advances Written off	**-**	1.75
Balances written (back)/off	**-**	(4.03)
Interest on Outstanding Statutory Dues	**-**	34.67
Total	**-**	(859.26)

21 Earnings Per Share (EPS)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Net profit/(loss) for calculation of basic/diluted EPS (in million)	**(77.86)**	(2,684.17)
Weighted average number of equity shares in calculating basic & diluted EPS (in million)	**8,293.96**	8,274.59
Basic and Diluted Earning per share (₹)	**(0.01)**	(0.32)
Face Value per equity share (₹)	**1.00**	1.00

22 Contingent Liabilities and Commitments (To The Extent Not Provided For) (₹ in million)

Particulars	As at March 31, 2013	As at March 31, 2012
Contingent Liabilities :		
Claim against the Company not acknowledged as debt	**7.71**	104.93
Capital & other commitments :		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	**23,278.89**	21,900.12
Refer Note 30		

23 Disclosure of "Employee Benefits" as per Accounting Standard 15 are as follows:

A. Gratuity

Statement of Profit and Loss

Net employee benefit expense recognised in employee cost

(₹ in million)

Description	March 31, 2013	March 31, 2012
Current service cost	**0.12**	0.15
Interest cost	**0.05**	0.02
Actuarial (gain)/loss recognized during the year	**0.12**	0.20
Past service cost	**-**	-
	0.29	0.37

Balance Sheet

Details of provision for Gratuity

(₹ in million)

Description	March 31, 2013	March 31, 2012
Opening defined benefit obligation	**0.63**	0.26
Current service cost	**0.12**	0.15
Interest cost	**0.05**	0.02
Actuarial (gain)/ loss recognized during the year	**0.12**	0.20
Benefits paid	**(0.38)**	-
Past service cost	**-**	-
Closing defined benefit obligation	**0.54**	0.63

The entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets, categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

	2013	2012
Discount rate	8.25%	8.00%
Rate of increase in compensation levels	6.50%	6.25%

Withdrawal Rate: 5% at younger ages and reducing to 1% at older ages according to graduated scale

Mortality Rate: Indian Assured Lives Mortality (2006-08) Ult.

Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

Amounts for the current and previous three years are as follows:

	Gratuity			
	31/3/2013	31/3/2012	31/3/2011	31/3/2010
Defined benefit obligation	0.54	0.63	0.26	1.04
Deficit	0.54	0.63	0.26	1.04
Experience adjustments on plan liabilities Loss/(Gain)	0	0	0	0

B. Compensated Absences

Statement of Profit and Loss (₹ in million)

Description	March 31, 2013	March 31, 2012
Current service cost	**0.09**	0.12
Interest cost	**0.07**	0.03
Actuarial loss recognized during the year	**0.12**	0.45
Past service cost	**-**	-
	0.28	0.60

Balance Sheet

(₹ in million)

Description	March 31, 2013	March 31, 2012
Opening defined benefit obligation	**0.90**	0.36
Current service cost	**0.09**	0.12
Interest cost	**0.07**	0.03
Actuarial loss recognized during the year	**0.12**	0.45
Benefits paid	**(0.47)**	(0.06)
Closing defined benefit obligation	**0.71**	0.90

For determination of the liability in respect of compensated absences of the Company, following actuarial assumptions were used:

	2013	2012
Discount rate	**8.25%**	8.00%
Rate of increase in compensation levels	**6.50%**	6.25%

C. Provident fund

Contribution made by the Company during the year is ₹ 0.46 million (Previous year ₹ 0.44 million).

24 In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.

25 The Service Tax liability has been ascertained and provided for in the books of accounts. The Company has been advised that as per the provisions of Central Excise Act, 1944, the Company is eligible to claim CENVAT Credit against the Excise Duty payable on the products to be manufactured by the Company and accordingly CENVAT credit of service tax has been considered as an asset and classified as “Cenvat recoverable” in Note No. 12.

26 The Company has requested its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act (MSMED), 2006. Based on the confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006.

27 The Company has taken office premise under operating lease agreement. This is cancellable and is renewable by mutual consent on mutually agreed terms. The Company has no obligation towards non-cancellable lease.

Rental expenses of ₹ 0.09 million (previous year ₹ 1 million) in respect of operating lease obligation have been recognised in "Statement of Profit and Loss".

28 a) Related Party Disclosures

Nature of Relationship	Name of Related Parties
Key managerial personnel	Mr. D Sundararajan (Managing Director) Mr. Deep Kumar Rastogi (Executive Chairman)
Enterprises owned or significantly influenced by key management personnel or their relatives	Nyra Holding Private Limited

b) Transaction during the year with related party (₹ in million)

Nature of Transactions	2012-13	2011-12
Enterprises owned or significantly influenced by key management personnel or their relatives		
Transactions during the year :		
Share Capital issued/ Share Application Money	**-**	44.40
Loan received during the year	**26.29**	4.90
Closing Balance :		
Loan payable	**31.19**	4.90

29 Expenditure in Foreign Currency

(On cash basis including amount capitalized) (₹ in million)

Description	For the year ended March 31, 2013	For the year ended March 31, 2012
Bank charges	**0.00**	0.03
GDR issue expenses	**-**	2.00
GDR reimbursement of expenses	**(3.26)**	(3.39)
Consultancy and professional fees	**-**	14.19
Stock exchange fees	**0.35**	0.32
Total	**(2.91)**	13.15

30 Project Status

a The Company has a plan to set up crude oil refinery in Haldia, West Bengal. Ministry of Forest and Environment (MOEF) has accorded Environmental Clearance for 5 MMTPA refinery project. The Haldia Development Authority (HDA) / West Bengal Industrial Development Corporation (WBIDC) had allotted land in Haldia. The Government of West Bengal extended various concessions which included VAT incentives equivalent to the investment in Plant & Machinery. The Company raised Equity for US$ 200 million in Dec'07 by issuing Global Depository Receipts (GDR) for part funding the project. The proceeds of the GDR issue were fully utilized to pay capital advances related to purchase of equipment of two used oil refineries and other corporate expenses incurred during construction period. One of the used refineries was located in Ingolstadt, Germany, owned by Bayernoil, which was getting de-commissioned in 2008. The Company entered into contracts for relocation of Bayernoil Refinery and had also paid advances for such equipments. However Company could not achieve financial closure and fulfill the terms of the said contract, resulting in cancellation of the contract and forfeiture of the advances paid. The Company has written off ₹ 3,457.79 million during the previous financial year.

The Company had on March 15, 2011 entered into an Asset Purchase Agreement with Tagore Investments SA (Tagore) (an affiliate of Hardt group) for the CENCO Petroleum Refinery at a cost of US$ 275 million. As per the said agreement, the cost of such equipments was to be settled by the Company by issue of Equity in the form of GDR to the extent of US$ 175 million to Tagore and balance US$ 100 million in cash on achievement of financial closure.

The Company had also contracted for another set of Refinery equipments from another affiliate of Hardt group namely Amber Energy SA (Amber) at a cost of US$ 142 million, which was to be paid by issue of GDR of US$ 142 million to Amber.

Simultaneously, the Company had entered in to a 'Deed of Novation' with an affiliate of Hardt Group for assuming the contractual obligations envisaged on the supplier under an erstwhile agreement of plant & machinery for which an advance of ₹ 4,583.44 million had been paid.

Hardt Group had agreed to become a strategic investor in the Company and assist it in implementing the refinery project. Abboro Limited (affiliate of Hardt Group) had brought in ₹ 136.52 million as equity during March'11 to March '12 (out of which 120.76 million already allotted & the balance 15.76 million to be allotted as equity shares) to meet funding requirement for working capital and project activities.

The Company's proposal for issue of such GDRs to Tagore and Amber, aggregating US$ 317 million was approved by the Foreign Investment Promotion Board (FIPB) in their meeting held on May 20, 2011. Since the amount of issue had exceeded ₹ 12,000 million, the proposal was recommended to Cabinet Committee on Economic Affairs (CCEA). However, prior to receipt of the CCEA approval, SEBI in Sep'11 had issued directions to the Company not to issue equity or any other instruments convertible into equity or alter capital structure in any manner till further directions in this regard. The said order of SEBI is still subsisting and has resulted in the Company not being able to proceed with the issue of GDRs as aforesaid to Tagore and Amber.

After signing the agreements with Hardt Group for purchase of refinery equipment and with the set of refining equipment for which the Company had already contracted and paid advances, the Company revised the capacity of refinery envisaged in Haldia to 10 MMTPA from 5 MMTPA. It filed an application to Ministry of Environment to enhance the approval for putting up 200,000 bpd equivalent to 10 MMTPA capacity refineries. However, the Ministry vide its letter dt. Sept 20, 2011 declined the request as Haldia has been notified as a critically polluted area and no new capacity or expansion can be permitted till it is de-notified. Meanwhile, the Company lost the Bayernoil equipment as it couldn't fulfill its contractual commitments. The Company's various efforts to restart the project also failed due to the embargo on issue of new equity by SEBI. Hardt Group has also stopped infusing further funds pending revocation of SEBI order. In the light of the above the Company intends to proceed with only a 5 MMTPA refinery on receiving favourable orders from SEBI. The Project cost for setting up of 5 MMTPA refinery with equipments contracted from Hardt Group along with balancing equipments is estimated at around US $ 1 billion, which would be funded by a Debt: Equity ratio of 70:30. The equity requirement will be met by issue of GDRs to the Hardt group and the existing equity. The management is confident of obtaining a favourable order from SEBI soon and achieving financial closure for the project.

The contracts entered with Hardt group have expired as of now but Hardt Group has indicated their willingness to extend the same once a favourable order from SEBI is received. The Company is confident of the support of Hardt Group in implementing the project after receiving a favourable order from SEBI.

b During the previous years, the Company had entered into agreements for supply of plant and machinery related to the project. The said agreement provided for certain milestones of performance on part of the parties to the contract which more specifically involved delivery of equipments by the supplier and periodical payment by the Company. The Company paid certain advances as per the terms of the contract however, in view of the pending financial arrangements it could not fulfill other terms and conditions stipulated under the said agreements. The suppliers/contractors also could not fulfill their obligations under the said agreements.

c In view of the fact that the obligations of either party to the contracts in the aforementioned agreements for supply of plant and machinery related to the project are not fulfilled, the Company's liability for payment of ₹ 432.12 million (as on March 31, 2012: ₹ 406.44 million) is not crystallized as at the balance sheet date and hence has not been recognised in these financial statements.

d Land- Haldia Development Authority (HDA), vide its memo dated March 25, 2008, offered land admeasuring about 400 acres at Haldia, West Bengal to the Company for setting up the refinery project ('the project'). As per the terms of the said memo, lease premium of ₹ 600 million was stipulated, which could not be paid by the Company pending financial closure for the refinery project. Subsequently, the Company entered into a tripartite agreement dated March 19, 2010 along with HDA and West Bengal Industrial Development Corporation Limited (WBIDC), whereby, WBIDC has paid ₹ 630 million as lease premium for said land, development fee and other amounts to HDA and the Company was given permissive possession of the land for a period of six months from the date of the agreement with a condition that the land shall be sub-leased in favour of the Company at the end of six months, subject to compliance with certain conditions. Since the Company could not comply with these conditions, it had requested additional time from WBIDC for the same.

WBIDC, while granting such extension, stipulated additional conditions relating to tie up of equity and achievement of financial closure for the project. The Company was not in a position to comply with these conditions as the SEBI order was subsisting and informed WBIDC accordingly requesting further extension. However, WBIDC had not acceded to the Company's request and had withdrawn the permissive possession of land. The Company has again represented to WBIDC requesting time till March 2014 for complying with the conditions.

The strategic investor Hardt group has agreed to provide the required funding to clear the dues of WBIDC, subject to the condition that the Company obtains a favourable order from SEBI and gets the required extension from WBIDC. The management is confident of sourcing the required funds for clearance of the WBIDC dues and getting extensions on annulment of the SEBI order.

In the absence of any development in the project and withdrawal of the permissive possession of land, cost of land development and civil work amounting to ₹ 196.91 million and ₹ 49.64 million respectively is included in the cost of leasehold land and capital work in progress.

The ability of the Company to continue as a going concern is significantly dependent on getting a favourable order from SEBI, achievement of financial closure and obtaining the extension of permissive possession and sub-lease of land from WBIDC. The management is confident of getting a favourable order from SEBI and complying with the conditions of WBIDC for getting the land. In the event of any delay in arrangement of such funding, the promoter is committed to provide necessary funds to meet the Company's liabilities arising in the foreseeable future. These financial statements have been prepared on a going concern basis on the assumption that the necessary funding and financial closure will be achieved and do not include the adjustments that would result if the Company is unable to continue as a going concern.

31 Previous year figures have been re-classified/ re-grouped, wherever considered necessary to conform to current year's classification.

As per our Report of even date

For **Kanu Doshi Associates**
Chartered Accountants

Per **Ankit Parekh**
(Partner)
Membership No. 114622
FRNo. : 104746W

Place : Mumbai
Date : May 31, 2013

For and on Behalf of the Board of Directors

Deep Kumar Rastogi
Executive Chairman

D. Sundararajan
Managing Director

Suvindra Kumar
Company Secretary

Rekha Sarda
VP- Finance

Place : New Delhi
Date : May 30, 2013

CALS REFINERIES LIMITED

REGISTERED OFFICE: 21 Basant Lok Complex, Vasant Vihar, New Delhi- 110 057

E-MAIL REGISTRATION FORM

Dear Shareholder,

Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send document like Notice of Annual General Meeting, Annual Report, Postal Ballot Notice etc. to their shareholders through electronic mode, to their registered e-mail addresses.

We invite you to take part in this opportunity to contribute to the Corporate Social Responsibility initiative of the Company. We therefore request you to register your e-mail ID with your Depository Participant(s) or by sending this form duly filled in and signed to the Company's Registrar & Share Transfer Agent M/s MCS LIMITED at F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi- 110 020 or your concerned Depository Participant.

IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE	**IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE**
Please send the form to the Registrar at following address- **MCS LIMITED** **UNIT - Cals Refineries Limited** **F-65, 1st Floor, Okhla Industrial Area, Phase-1,** **New Delhi- 110 020**	Please send the form to your concerned Depository Participant where you maintain your Demat Account.

Dear Sir/Madam,

Green Initiative in Corporate Governance

I agree to receive all communication from the Company in electronic mode. Please register my following e-mail ID in your records for sending communication through e-mail:

E-mail ID to be registered

Name of Sole/Joint Holder(s)	Folio No./DP ID and Client ID	Signature(s)

Date……………………………

Important Notes:

1) After registration, all the communication will be sent to your registered e-mail ID. However, you can anytime ask for physical copy of the document.
2) The form is also available on the website of the Company viz. www.cals.in
3) Shareholders are requested to keep the Company informed as and when there is any change in the e-mail address. Unless the e-mail ID given hereunder is changed by you by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned e-mail ID.

CALS REFINERIES LIMITED

REGISTERED OFFICE: 21 Basant Lok Complex, Vasant Vihar, New Delhi- 110 057

PROXY FORM

I/We... of.. in the district of... being a Member/Members of CALS REFINERIES LIMITED hereby appoint ....of...................................... in the district of ....or failing him/her...of .... in the district of ....as my /our proxy to attend and vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company to be held on Friday, September 27, 2013 at 10.30 a.m. at Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074 and/or any adjournment thereof.

Signed this at................. on this day...................... of..................2013.

Affix 15 paisa Revenue Stamp

Signature

Proxy No.	Regd Folio/ Client No.	No. of Shares

Note: This form is duly completed and signed as per specimen signature registered with the Company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the Meeting.

— — — — — — — — — — — — — — — Cut Here — — — — — — — — — — — — — — —

CALS REFINERIES LIMITED

REGISTERED OFFICE: 21 Basant Lok Complex, Vasant Vihar, New Delhi- 110 057

29TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL

I/We hereby record my/our presence at the 29th Annual General Meeting of the Company to be held on Friday, September 27, 2013 at 10.30 a.m. at Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074.

Name(s) of the Shareholder(s) or Proxy (in Block Letters)	No. of Shares held	Registered Folio/ Client ID No.

PLEASE CARRY YOUR COPY OF ANNUAL REPORT

NO GIFTS/SNACKS WILL BE PROVIDED AT THE MEETING

Signature/s of the Shareholder/s or Proxy
(To be signed at the time of handing over the slip)`

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