

ANNUAL REPORT 2009 - 10



**BUILDING
A YOUNG BRAND
FOR A YOUNG INDIA**

DIFFERENTLY







CELEBRATING

25
years

When you are 25, the world is full of possibilities. We turn 25 this year and have traversed the path from being an emerging edible oils company to being a force to reckon with in the FMCG space. Our journey, which began with one mission – customer satisfaction, continues uninterrupted.

25 YEARS OF SERVING CUSTOMERS

Powered by **3** leading edible oil brands - Kalash, Double Sher and K S Gold

Reaching consumers through a network of over **2** lakh retail outlets and **1,313** distributors

Generating a turnover of over **₹ 4,000** crore

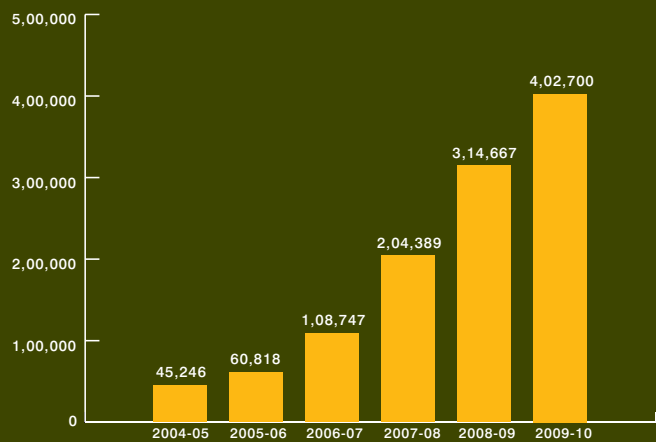
Manufacturing quality products at **5** state-of-the-art plants

Developing palm plantations across **1.38** lakh acres of land in Indonesia and Malaysia

Touching the lives of over **50,000** farmers

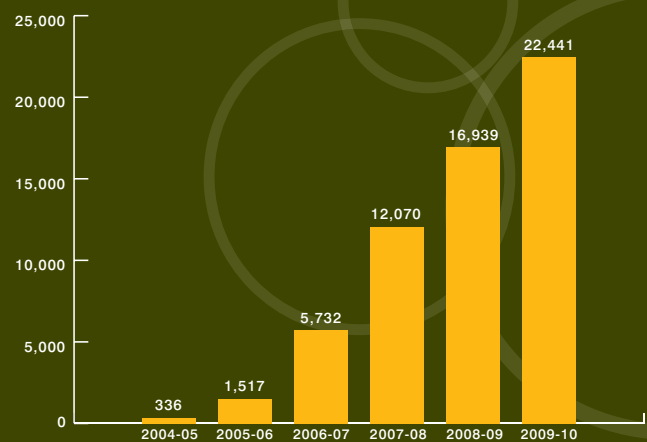
Delivering **HEALTH & PROSPERITY**
with the promise of **QUALITY**, every day every moment

FINANCIAL HIGHLIGHTS



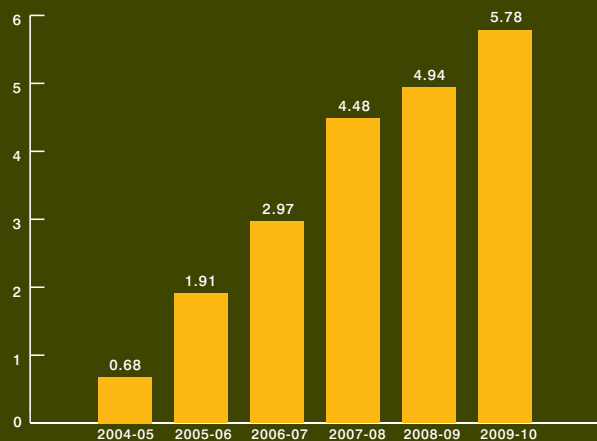
NET SALES

(₹ in Lacs)



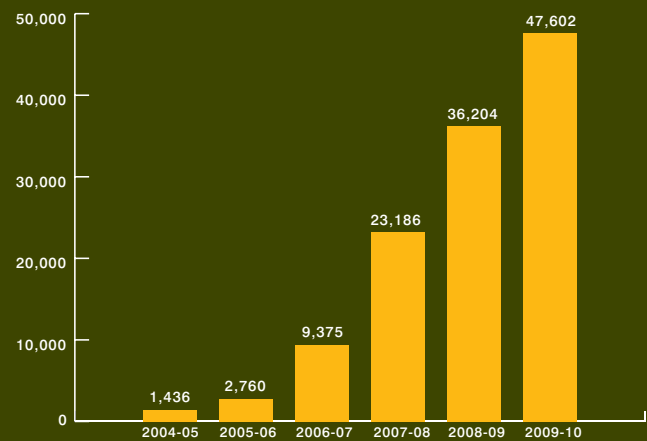
PROFIT AFTER TAX

(₹ in Lacs)



EPS

(in ₹)



EBITDA

(₹ in Lacs)

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Sr.	Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
A	Sales and Earnings						
	Sales	4,02,700	3,14,667	2,04,389	1,08,747	60,818	45,246
	Profit Before Tax	26,674	26,091	18,223	7,388	1,760	412
	Profit After Tax	22,441	16,939	12,070	5,732	1,517	336
B	Assets and Liabilities						
	Gross Block	1,17,378	69,203	29,047	13,779	5,973	4,474
	Net Fixed Assets	1,14,065	98,657	44,172	13,102	4,383	3,160
	Investments	19,598	7,797	1,847	-	-	-
	Net Current Assets	1,69,304	87,967	56,024	17,265	9,029	6,878
	Miscellaneous Expenditure	-	-	-	237	-	-
	Total Assets	3,02,967	1,94,421	1,02,043	30,604	13,412	10,038
C	Represented By						
	Share Capital	4,090	3,563	3,324	2,209	845	495
	Warrant (Equity Share Entitlement)	7,130	-	5,000	2,378	-	219
	Reserves	1,33,948	87,067	61,005	14,342	3,726	1,799
	Loan Fund	1,47,732	93,188	28,469	10,019	8,736	7,414
	Deferred Tax	9,986	10,516	4,152	1,557	-	-
	Deferred government Grant	81	87	93	99	105	111
	Total Funds	3,02,967	1,94,421	1,02,043	30,604	13,412	10,038



COMPANY INFORMATION

Board of Directors

Mr. Ramesh Chand Garg - Chairman
Mr. Sanjay Agarwal - Managing Director
Mr. Sourabh Garg - Executive Director
Mr. R. Ganesh - Executive Director
Mr. Pramod Kumar Mandloi - Independent and Non-Executive Director
Mr. Brij Mahendra Nandan Singh - Independent and Non-Executive Director
Dr. Rajinder Pal Singh - Independent and Non-Executive Director
Dr. J. P. Singh - Independent and Non-Executive Director
Mr. Rashmi Kant Nagar - Independent and Non-Executive Director
Dr. R. S. Sisodia - Independent and Non-Executive Director
Mr. Jimmy Mahtani - Nominee and Non-Executive Director
Mr. Vivek Sett - Nominee and Non-Executive Director
Mr. Rajeev Kalra - Nominee and Non-Executive Director

GM - Legal & Company Secretary

Naveen Jain

Bankers

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

Auditors

M/s. BDO Haribhakti & Co.
Chartered Accountants

Registered Office

Jiwaji Ganj, Morena - 476 001,
Madhya Pradesh, India.
www.ksoils.com

Registrar and Share Transfer Agent

Ankit Consultancy Pvt. Ltd.
2nd Floor, Alankar Point,
4 A, Rajgarh Kothi, Gita Bhawan Square,
Indore - 452 001, Madhya Pradesh, India.





KALASH

KACHCHI GHANI
PREMIUM MUSTARD OIL



OMEGA
3.6



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CHAIRMAN'S SPEECH



Dear Stakeholders,

The year 2009-10 has been a memorable year for K S Oils. Our Company entered the 25th year of its operations. The silver jubilee year has been an occasion for celebrating with our consumers, our brands and our people!

Like any individual who has just turned 25, we feel young, energetic and motivated to reach new heights. It is that period of life when strength, intelligence and performance are at their youthful best. At 25 years, K S Oils proudly possesses some commendable achievements. Today, we are an Indian MNC that is well poised to tap the young Indian consumer's demand with a premium brand like Kalash and a mass brand like Double Sher.

"Kalash", our premium brand is already the leader in the branded mustard oil segment. During the year, Kalash Refined Soyabean Oil became

one of the top five brands in the soyabean oil segment in selected states within nine months of its launch. This has only gone to prove that we have got our branding story right and we have so far been on the right track. We intend to invest significantly in our brand portfolio and ensure greater consumer loyalty, increased profitability and an inclusive and sustainable growth.

Global Scenario

The global scenario in 2009-10 was much better than in the previous year. To begin with, we have witnessed stability in edible oil prices, which reduced the country's import bills. Secondly emerging markets, especially Asian economies like India, China, Indonesia and Malaysia are being built on strong industrial, manufacturing and service sector growth. For us, the biggest story is our local population.

Since growth has led to a rise in per capita income and higher standards of living in these economies, it has given an unprecedented boost to domestic consumption, leading to higher per capita spending.

I believe the emerging economies will be the theatre for action as the decade unfolds. In this scenario, to stay competitive, the global companies will have to significantly invest in creating assets, building brands and winning consumers in these economies. Similarly, the domestic companies too will have to compete, or else, build close business relationships with the MNCs, in order to scale-up. With increased levels of consumer spending, brands will become key differentiators, as competition will rage not only in the market - place but also in the minds of consumers. That said, in edible oil space, the biggest differentiators

NET
SALES
₹ 4,027 Cr

4 are the brand and quality - the two most important attributes of our Company's products.

K S Oils Performance in 2009-10

Despite the challenges thrown up by the market and the regulators, K S Oils delivered a record profitable growth during the year. The Company

clocked a turnover of ₹ 4,027 crore and a bottom-line of ₹ 224 crore. Even in a tough year, the Company registered a growth of 28% on the top line and 33% on profits. K S Oils strengthened its brand portfolio, while investing significantly in the new product launches in the soyabean segment. This helped the company in increasing sales and improving margins.

Understanding the Indian consumer

In today's young and vibrant India, two-thirds of India's population is below the age of 35. In terms of aspirations and expectations, increased consumerism is bridging the urban and rural divide in this age group. Farmers have benefitted due to increasing urbanization, SEZs and new townships as the demand for rural land for development purposes increases. The availability of cheap credit, better

minimum support prices (MSP) for crops and government schemes like NREGS (National Rural Employment Guarantee Scheme) has increased rural employment and income of farmers. This has given huge benefits to the farmers and seen a new consumer enter and drive up consumption in the rural market. But equally, better living standards have created an increased demand for healthy and high quality foods, including edible oils. The discerning consumer of today, both in urban and rural markets is willing to pay a premium for quality, which is causing a significant shift towards branded oils.

Quality has become paramount in purchase decisions, especially for food items like edible oils. Thus, our brands, Kalash and Double Sher, built on the platform of purity and quality, have shown premium growth. With a better



With more than a billion consumers, India is one of the most exciting FMCG markets in the world. Buying habits, consumption patterns and spending trends indicate a quality-conscious mindset. Connecting with the consumer is the key to building successful FMCG brands.

lifestyle, consumption of edible oils across the three segments (mustard, soybean and refined palm oil) has gradually increased.

Building FMCG Brands in FMCG markets

With more than a billion consumers, India is one of the most exciting FMCG markets in the world today. Buying habits, consumption patterns and spending trends indicate a quality-conscious mindset. Thus, connecting with the consumer is the key to building FMCG brands. At K S Oils, we realize that building FMCG brands, especially in the commodity-led edible oil sector, is a slow and steady game. It will require significant investments in brand building, advertisement spends and trade channel development.

Having made the right moves, K S Oils has achieved 12% market

share of mustard oil market in India and our brands Kalash and Double Sher are the leaders in the branded mustard oil market. With our feet firmly on the ground and our understanding of the consumer, we believe Kalash will be one of the finest edible oil FMCG brand in India's vast FMCG market.

In the past year, we have significantly invested in creating the last mile connectivity with urban and rural Indian consumers. Today, we reach out to over 2,00,000 retail outlets and are growing this network significantly. Our focus on Tier II and Tier III Indian cities and upscale rural clusters continues. Our marketing strategy for the urban segment is to ensure value-added national and local advertising, and brand promotion. Organized retail is a key strategic partner in growing our brands' sales and we have shelf space in all of the organized retail chains.

Robust Backend to Build a Premium Brand

As you may be aware, in the past three years, we have invested capital, human resources and time in building a formidable back-end support system for the retail led brand push. Today, we have five state-of-the-art production facilities that follow international best practices in manufacturing high quality products. This is a key differentiator in the edible oil business. Our procurement strategy in India is bearing fruit, as we continue to develop long-lasting relationships with Indian farmers through our Khushali program. Our international palm plantation ownership program is progressing well. Having an integrated low cost production base in place and thus our ability to control quality has been key to our market leadership in India.

Today our business can be distinctly divided into three separate categories:

NET
PROFIT
₹ 224 Cr

6

- Raw material procurement through farmer outreach programs in India and international ownership of palm plantations.
- Manufacturing plants, refineries and logistics management.
- Brands – Kalash, Double Sher and K S Gold.

In the last three years, we have created three categories which function as

independent SBUs. It has enabled us to evaluate them separately and identify our strengths and weaknesses. We believe competitive edge, global operations and scale, flexibility to multi-sourcing, building significant distribution capabilities and innovative marketing strategies, will be the key drivers of our growth in the future.

innovation-led organization, we have rolled out a companywide program to ensure that each employee is focused on the consumer. We have identified over 100 young achievers to create a second rung of leadership and put them through a fast track career program. When ready, they will become the driving force of the Company, leading it into its golden jubilee era.

Creating the Leaders for Tomorrow

During the year, we invested significantly in building up leadership. We believe, as we grow to a market-driven brand company, we will need diligent and adaptable talent to take us forward. While we will follow our 'grow from within' policy for preparing leaders of the future, we will not shy away from inducting exceptional talent from outside the Company.

In order to build a consumer-centric,

Building Brands Responsibly

It is my personal belief and the guiding 'mantra' at K S Oils, that we will be responsible for our actions. Today, we have created a growth story with multiple stakeholders and are answerable to each one of them. Concern for environment, people and communities in which we live, is a key to developing our brands responsibly. During the year we undertook various initiatives around our manufacturing plants in order to



Today, we have created a growth story with multiple stakeholders and are answerable to each one of them. Concern for the environment, people and communities in which we live, is the key to developing our brands responsibly and sustainably.

protect the environment and focus on the use of alternate energy, recycled water and recovered heat.

Education has been a passion at K S Oils and our association with school activities continued during the year. Our Khushali project is ensuring a better produce and a better living for Indian farmers and we plan to grow this program in the coming years. While we expand our brand presence in the market-place with Kalash and Double Sher, we are committed to building K S Oils as a responsible corporate brand that believes in inclusive growth.

Winning in the Market-place, Winning with Consumers

Going ahead we will have a clear agenda for the next 24 months to strengthen our FMCG brand strategy in the edible oil sector:

- Reaffirming Market Leadership: We

will reaffirm our market leadership in key markets like Eastern India. We will strengthen, grow and protect our market share with our renewed consumer focus.

- Reaching the un-served and under-served markets: Our marketing and distribution network will be further strengthened to create a pan-India reach. We will win market share in our new markets of Northern and Western India.
- Renewed focus on innovation driven profitable growth: We will continue to focus on innovation driven profitable growth. Our brand-led strategy, coupled with our low-cost integrated backend model, will help us in lowering costs, realizing better brand premium and delivering healthier margins.

To conclude, let me ask you

two questions: Who is our biggest competitor? And, What is our biggest risk?

While you guess, let me answer it for you. At K S Oils, we are our biggest competitor and also our biggest risk. Complacency and arrogance that stems from success will never be allowed to set foot in K S Oil. Today, we have built the best edible oil brands, the best manufacturing plants and the best team and will continue to deliver and excel as we go forward. Humility of action, integrity of purpose and transparency of conduct will be the key traits driving our Company's growth as we journey forward into the next 25 years!

Warm Regards,

Ramesh Chand Garg
Chairman



KALASHTM
REFINED SOYABEAN OIL



Young brands for a young India

Young, vibrant and spirited-that's India for you. Young, exuding energy and passionate - that's K S Oils for you. Think young, think India, think K S Oils.



Youth is in our DNA. Our brands reflect the spirit and vibrancy of a young India that is going places. Customer connect is what we strive for; customer delight is what our brands achieve.

MANAGEMENT DISCUSSION AND ANALYSIS



The year 2009-10 was one of significant achievements for K S Oils as a company and for India as an economy. The Company successfully focused on building premium brands in the edible oil segment on the platform of quality, purity and taste. The Company's efforts in building a robust back-end of agri-assets like plantations and manufacturing plants over the past three years, is bearing fruit as the front end falls in place to create a pan-India retail distribution model. The Company's growth continued with the turnover crossing the ₹ 4,000 crore mark. During the year, K S Oils launched a new product brand in the soyabean category – Kalash Refined Soyabean Oil. Kalash will remain the premium umbrella brand and will see significant investments from our side for achieving market and brand leadership.

According to a report by the International Monetary Fund (IMF), the global economy is beginning to pull out of a recession, but recovery is expected to be sluggish. Consumption is picking up, although at a slow pace. However, IMF has forecasted that emerging and developing economies will lead the growth momentum in the coming years while the rest of the world starts to recover.

Global Scenario – The Tiger has arrived

Last year, developing and emerging economies, mostly in Asia and Latin America stayed almost untouched by the global financial crisis. Instead they registered growth that was independent of the global financial turmoil. The decoupling theory floated by certain western economists is coming true – today emerging Asian countries like

India, China, Indonesia and Malaysia have built robust domestic economies of their own. Over the past decade these countries have seen significant economic progress; today most of them have a young and productive population. Income generation avenues in these countries have improved and thus, aspiration led better standards of living are a reality.

Emerging markets, especially India, will see significant action from the international community in terms of investments and participation. Today, any global company cannot truly call itself international, without a significant presence in India. While China is seen as the world's manufacturing hub, the next decade will see India arrive on the world scene as the preferred destination for R&D, services and human talent. This will give rise to global investment opportunities for participating in India's



EDIBLE OIL
MARKET
₹ 750 Bn

growth story and for tapping the local spending and consumption opportunities.

Global commodity and crude oil prices have stabilized to realistic levels in the last year. Thus, sourcing benefits in terms of lower input costs have significantly helped food and FMCG companies to pass on the benefits to consumers or increase their investments in brand building. As brand building becomes a key competitive advantage, a steady and committed input of raw material with improved sourcing capabilities to avoid volatility will be key to sustainable back-end creation.

India – a billion plus consumer opportunities

FMCG-led branded food

items will continue to be a key area of growth in the Indian market-place, as the country's standard of living rises with impressive GDP growth. Within the staple food items, the branded segment will register maximum growth as consumers readily pay a premium for quality, purity and taste. This key insight is driving the growth at K S Oils and other FMCG players, as the Indian economy progressively transforms from commodity to brand led economy; especially, in high involvement consumer categories like food and health such as edible oils.

Recent statistics and forecasts by analysts and experts show an interesting trend – domestic demand for edible oil in India will reach 30 million MT by 2020 from the current 17 million MT with an annual CAGR growth of 7%. But the share of higher margin branded sales will

FMCG-led branded food items will be a key area of growth in the Indian marketplace as the country's standard of living rises. Within health and food items, the branded segment will register maximum growth as consumers readily pay a premium for quality products.

rise significantly from the current 25% to nearly 50-60% of market share by 2015. Today, the total edible oil market is pegged at ₹ 750 billion (US\$ 16 billion) but only ₹ 187.50 billion (US\$ 4 billion) or 25% comprise branded sales. With the Indian edible oil market moving towards branded offerings, organized players like K S Oils will benefit from this gap. It will also see marginalization of unorganized players and consolidation among the organized players.

India's per capita consumption of edible oil has improved to 15 kg per year in 2010. But is still significantly lower than the world average of 24 kg per year and lower than even our neighbours like China and Pakistan, where it is 24 kg and 20 kg per year respectively. The sector will ride upon this opportunity with organized players having a significant

advantage due to informed consumers demanding quality, purity and taste offered by the branded products.

Building Bonds by Building Brands

K S Oils invested significantly during the year in creating a consumer brand portfolio. This will serve the discerning consumer at every price point across the three edible oil segments, namely, mustard oil, soyabean oil and refined palm oil. While K S Oils is a leader in the branded mustard oil segment, the Company is focused on extending its brand portfolio across the other segments. The recent success of our foray into the branded soyabean oil segment is a case in point.

We took a conscious decision to grow "Kalash" as the umbrella or portfolio brand for all our premium offerings while "Double Sher" as the mass market brand.

We believe we need to strengthen, globalize and innovate around 'Kalash'. Thus, from Kalash Mustard Oil, we have extended our range to Kalash Refined Soyabean Oil and literally, tasted success. Our strong focus will be led by consumer-centric product development based on innovation and R&D, and also through a consumer-focused marketing strategy. Our brands will always communicate consistency, quality, taste and the spirit of the Indian way of cooking in a contemporary way.

We will protect and grow our brand assets and ensure that all spends measure to ROI best practices, are cost effective and have a direct connect with our sales. Our current spends are around ₹ 10 crore; while, we will increase our budgets significantly, we will always be responsible and alert in ensuring that it justifies and enhances



our top-line and bottom-line results. The above efforts will be spread across our brands in the mustard, soyabean and refined palm edible oil segment.

Bano Kalash Soya Active

While, we are leaders in the branded mustard oil segment with our premium brand Kalash, we intend to create a portfolio across the edible oil segment with this brand. Our foray into branded soyabean edible oil is the first step in this direction and our success in a short span of time has proven our faith in our brand building efforts through consumer feedback and enhanced product experience.

According to our market share analysis, Kalash Refined Soyabean Oil has become one of the Top 5 soyabean brands within nine months of its launch in selected states. Based on our research, the

branding focused on the tagline “Bano Kalash Soya Active”. We created a buzz in the market through a three-pronged approach of nationwide TVC advertisement campaign, local level brand activation and push through trade channels, making this type of branding activity the first in branded edible oils.

The Indian Consumer - Rural & Urban bias is fading

We share an interesting observation about the Indian consumers – while all of us have read research reports and information that urban and rural consumers are different, we believe that though this may be partially true, the gap is narrowing at a furious pace. We believe that given a choice, the Indian consumers’ aspiration to spend and consume is similar irrespective of where they come from. Also, while plastic

money has helped urban consumers avail cheap credit, better support price (MSP) and government schemes like NREGS (National Rural Employment Guarantee Scheme) has reduced rural under-employment and raised wages. Infrastructure development has helped rural consumers with monetary compensation for land surrendered for development or through real-estate appreciation.

Today with satellite, Internet and mobile penetration, the Indian consumer gets the world’s view irrespective of rural or urban settings. The deluge of information flow has made the aspirations of consumers similar everywhere. We believe that both the rural and urban consumers aspire to have food that is cooked in branded edible oil for safety, taste, purity. With the service sector penetration in rural India, today’s rural consumer has an additional source of income over and above



agriculture. Our mode of communication will be a mix of mass advertising through national mediums like TV channels and local communication media like radio, newsprint and ground events. Going ahead, we believe putting the consumer into two easy boxes – rural and urban, will need to be supplanted by more sophisticated consumer insights based on consumer segmentation, behavior, demographics and other social behavior.

Building a Consumer Connect – The Indian way

As an FMCG company in branded edible oils, we are aware that consumers' tastes, preferences and eating habits are the key to our growth and survival. We have initiated a definite and rigorous program to stay in touch with the Indian consumer at a local level. Our sales and marketing

team is over 150 people strong at all-India level and with our distributors, our total sales strength adds up to over 1,500 people. Since our product cannot be test marketed on the spot, but only in the kitchens of our consumers, we have decided to bring the kitchen to the market to help trials in a bigger, better and an engaging way.

Across India, we have identified local customs, festivals and traditions and our on ground brand building initiatives are being implemented around these events. We are advertising at the local level in a strategic way to build better consumer recall through high-visibility low-cost advertising mediums like outdoors, bus shelters and bus bodies, etc. We are focused on understanding the local culture and sensitivities to build meaningful marketing and brand programs to create real connect with the consumer.

Building a retail focused FMCG Network across India

During the year, we re-affirmed our market leadership across East Indian states of West Bengal, Bihar, Jharkhand, Uttar Pradesh and Madhya Pradesh. We saw a rise in demand for our products in newer markets like Northern and Western India. Today we have presence across the states of National Capital Region (NCR) of Delhi, Punjab, Haryana, Rajasthan, Himachal Pradesh and Jammu & Kashmir. We have also done a preliminary launch in the states of Maharashtra and Chhattisgarh where our products are selectively available.

At the organized retail and modern trade level, our relationships with leading players are getting deeper and the collaboration is based on increased trust and consumer confidence. Our urban customers are being serviced through modern retail store formats

EPS
₹ 5.78

16

and today we share significant shelf space in the edible oil category in these stores; our estimates show that in some of them, we are the highest

selling brand in the edible oil category at the national level. Our products are available at all pan - India organized players' retail outlets like Big Bazaar (Future Group), More (Aditya Birla Group), Spencers (RPG Group), Reliance Retail and Vishal Mega mart. Also, for every urban center with a population of over 5,00,000, we are present in all retail and kirana stores through our distributors. We believe that our relationship with the modern retail players gives us not only sales but also a critical platform from where to build our product and brand visibility and in create a superior shopping experience for the customers!

At the retail level, where we are focusing on Tier II, Tier III and upscale rural clusters, we believe that although the urban-rural divide

is narrowing with the convergence of aspirations and needs of rural and urban consumers, the channels for servicing them still remain very different and at times challenging.

Currently, we are servicing over two lakh retail outlets through direct and wholesale coverage all over India and look forward to serving over 10 lakh retail outlets over a period of time. Today, we have a family of over 1,313 distributors who are relentlessly working with us to penetrate every Indian kitchen with the Kalash brands.

Financial Performance – Building a Brand Premium

The Company reported a net sales of ₹ 4,027 crore as compared to ₹ 3,147 crore in the previous year, an increase of 28%. The net profit grew by 33% to ₹ 224 crore from ₹ 169



K S Oils will continuously strive to create profitable growth which is equitable, inclusive and sustainable. Improving margins across production, performance and financial parameters will be a key focus area to ensure stakeholder value creation.

crore as reported in the previous year. The Company reported an EPS of ₹ 5.78 for the year ended 31st March, 2010.

During the year, a new brand Kalash Refined Soyabean Oil was launched with an aim of capturing the leadership in the soybean edible oil segment. With this, the Company's brands across mustard, soyabean and refined palm edible oil have created a pan-India footprint. Due to the FMCG-led brand play, the Company is able to get a premium on its products and this will continue to be our retail level focus going forward. Today, over 60% of the Company's sales come from the branded segment and retail sales have also significantly increased in proportion.

Raw material procurement remains one of our key strengths. During the year, we were able to implement

several measures that should help us to save on costs and better our quality. Today, all our purchases are driven to ensure that we develop a long-term, fair and transparent relationship with the farmers. This will help us in reducing our dependence on intermediaries and procuring directly, which will benefit both, us as well as the farmers.

Manufacturing – a quality benchmark

Today, K S Oils boasts of five state-of-the-art manufacturing plants, which are among the best in technology, design and efficiency parameters in India's edible oil sector. This is our biggest strength for building our brands. Our mechanized plants have stringent quality and hygiene parameters as per international manufacturing standards, which ensure that the best products reach the consumers.

Due to automation, our production lines are almost free of any human intervention, except at the beginning and the end of manufacturing process. This computerized and mechanized environment is helping us scale up production, create manpower efficiencies and ensure minimum defects and wastage. Substantial savings on account of this is also helping us to become energy efficient. With 4,400 MT per day crushing, 4,200 MT per day of solvent extraction and 1,600 MT per day of refining capacity on input basis, we are the third-largest organized edible oil player in India, only marginally behind the second player. This capacity gives us the economies of scale and it would be a key factor in meeting the insatiable demand of our consumers.

Another key advantage is our logistics strategy of using rail instead



of road transport in majority of the cases. This gives us substantial transport cost savings.

Our initiatives towards building sustainable energy resources through wind farms are bearing fruit. Today we generate 78 MW of green energy from our wind farms having 92 wind mills. The energy generated is equivalent to the energy used in all our plants and thus, as a corporate entity, we have succeeded in being energy neutral in our plants.

Building global agri-assets

We are excited with the way our agri-assets are coming up in South East Asia – Indonesia and Malaysia. Our palm plantation assets are spread over a total area of 1.38 lakh acres acquired under the Indonesian government's land redevelopment plan for creating sustainable, green

and eco-friendly oil palm plantations in unused or depleted forest lands. The first palm plantations will be ready for harvest by 2013. This year, the ready palm plants in the nursery were shifted to the plantation areas. To ensure that the crude palm oil is processed near the plantations, we will be investing in an oil mill in the near future.

Our Singapore office is picking up well with the Singapore Government granting us the international headquarters status, which is again a first for any Indian edible oil Company. We are in the process of setting up an international trading desk for buying and selling global commodities for our Indian needs. The risk management division of the business is located out of our Singapore office to ensure that we are clued in to global developments. Currently, 400 employees are directly employed in the Company's international operations.

Technology as an enabler – IT Process & Systems

At K S Oils, Information Technology is the biggest enabler for creating a robust MIS system for control and planning of such diverse operations. ERP has been implemented across the Companywide locations, making possible the real time access of information with respect to efficiency and production; it has seen manpower utilization go up by 20% by removing superfluous jobs. It has also helped us to put a robust system of checks and balances in place. When entirely integrated, IT will become a key differentiator by creating online visibility of the entire company's functioning on a real-time basis.

Creating Brands for Indian Consumers

K S Oils is focused on building India centric brands in the country's edible



oil sector, which deliver quality, purity, convenience and the trust that is associated with the Kalash brand name. Going forward, the Company will be working towards a clear-cut three-pronged program:

- **Increased market share and brand premium across product categories**

With significant investments in the brand and marketing space, the Company will continue to ensure market share dominance in its traditional markets and win market share in new markets.

K S Oils will maintain and increase its leadership position in the branded mustard oil market while aiming to be among the top three brands in each of the other two categories, branded soybean oil and refined palm oil.

- **Continuous focus to create cost leadership at procurement and manufacturing**

The Company will continuously work with the farmers and build its own agri-assets to ensure that procurement costs are improved all the time. While being fair to the farming community and vendors, K S Oils will focus on direct relationships with them to save on intermediary costs. The Company's global operations will help it source from the most efficient producers internationally. Creating optimum production at the manufacturing plant will be the key goal.

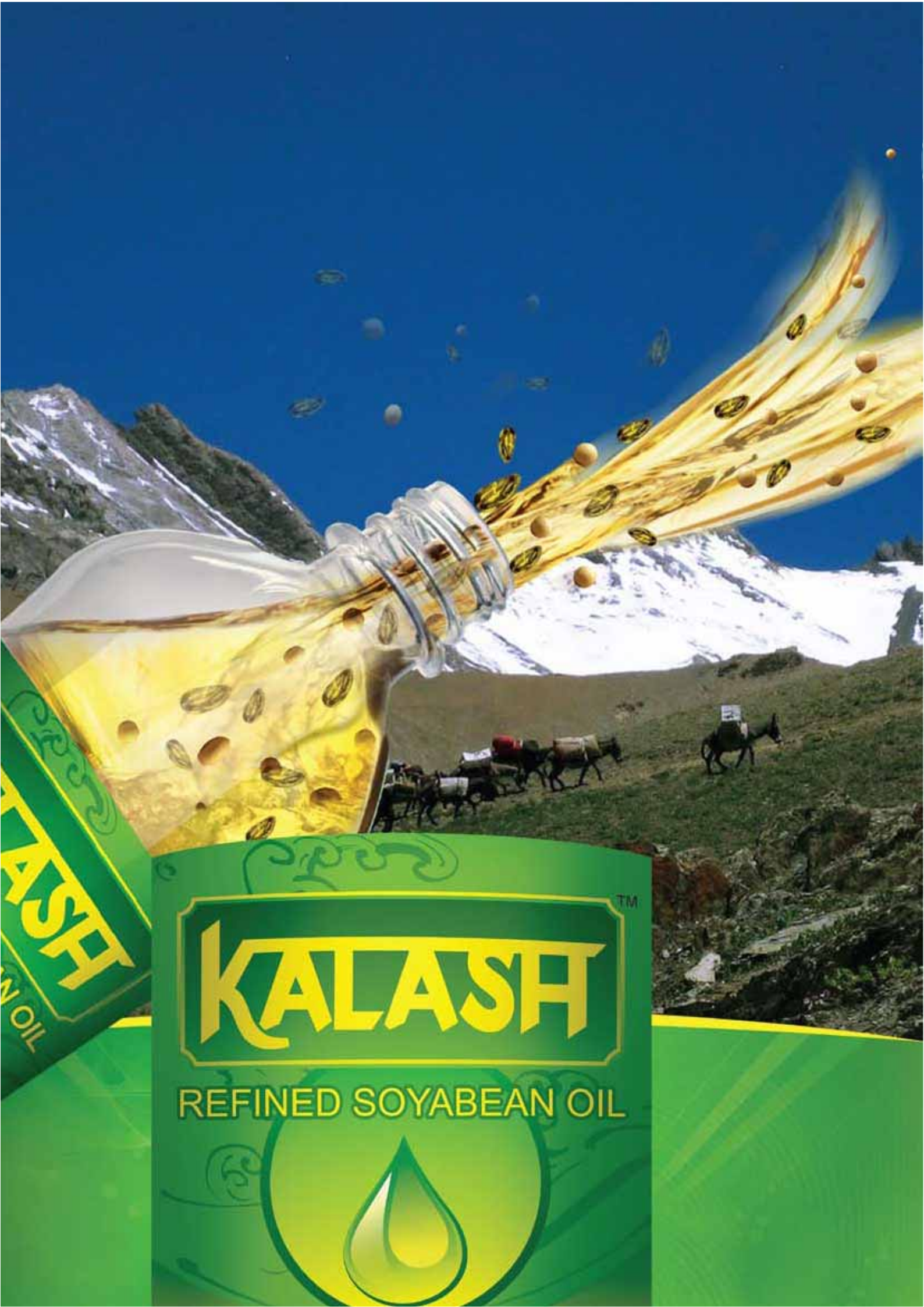
- **Profitable and Inclusive Growth**

K S Oils will continuously strive to create profitable growth, which is equitable, inclusive and of sustainable nature. Improving margins across

production, performance and financial parameters will be the key focus area for ensuring stakeholder value creation. The Company will also ensure its agribased commitments and partner with Indian farmers in its Khushali project – a business that will create a long-term value, profits and wealth for the entire society wherever it operates.

Building a Young Brand for a Young India, Differently

K S Oils will continuously work towards helping today's young India, stay young! It will make every effort to create brands which are healthy, pure and help keep every Indian active, whether at work, play or at home. With a promise to enter every Indian kitchen, Kalash will be the preferred brand partner to every Indian homemaker in delighting over a billion taste buds!



KALASH
SOYABEAN OIL

KALASHTM

REFINED SOYABEAN OIL





We are reaching out to you!

We call it last mile penetration. Even in the far - flung areas of Leh and Ladakh, K S Oils brands serve customers with the promise of uncompromising quality. We are where our customers are – the distance doesn't matter.



K S Oils
employees celebrate
the spirit of togetherness and
the joy of accomplishing a goal.
When positive energies combine for
a common cause, the result is often
success. We bring our passion to work
every day, the magic of collaboration
turns it into victory.

HUMAN RESOURCES



At K S Oils, we realize the challenges of recruitment, integration and retention faced by a new hiring environment, in India. As a result, since early 2009-10 we have been following a 3R approach – Retain, Recruit and Rejuvenate, which are the three pillars of our HR policy that is focused on making us an Employer of Choice.

Retain

We concentrated our efforts on building a robust talent retention system. As a first step towards being successful with this program, we undertook a talent assessment exercise across the entire organization. At the end of this exercise we realized that our talent pipeline and development process needed to be strengthened.

This learning helped us to roll out the concept of creating a robust 'talent farm' of middle level managers who will

be ready to lead the Company to its next level. The first batch of 100 managers from diverse professional backgrounds and qualifications has been identified. To rejuvenate their leadership skills, we sent our managers to top institutes like IIM and conducted in-house training by leading consultants.

Recruit

In 2010-11 we will intensify our efforts to recognize and grow leaders who bring in a sharp operational learning experience and match it with external perspectives. By creating a strong leadership team we are constantly creating a customer friendly organization that is ready to lead the way in the FMCG segment.

Rejuvenate

As K S Oils grows, we believe employee integration across diverse cultures and

geographies will play a key role in realizing our vision of being a leading Indian FMCG company. Today, K S Oils has more than 3,000 employees working in four countries and to strengthen the internal communications across these locations, we have launched intranet – the Company's knowledge management repository. K S Oils internal magazine, Mustard Magic, has become a popular platform for employee bonding.

Other initiatives to enhance employee integration included, advanced safety training and drills across our plants and yoga, health and fitness camps across our operations.

Today, we take great pride in our success but are humble enough to constantly learn from our failures in our quest to become an organization which listens to its two key stakeholders – the customer and the employee.



The Khushali initiative – a dream of inclusive growth – is bearing fruit. The sons of the soil are sowing the seeds of hope, while we are glad in nurturing them till they ripen into fruits of success. We collaborate to create. Together, we are building a brighter tomorrow for all of us.





Collaborate to create

Taking our dream of inclusive growth to the next level, we have associated with farmers through our initiative called Khushali. As the name suggests, it brings prosperity to their lives through increased yield and better price recovery.



Farmers interact with company officials at a meeting of the Khushali initiative in a village in Madhya Pradesh, India. We are collaborating for a better yield, better productivity and a better life. We are sowing the seeds of inclusive growth that builds bonds, that yields returns!

CORPORATE SOCIAL RESPONSIBILITY



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

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

For example, Khushali, our farmer outreach initiative adds robustness to our sourcing capabilities and empowers the farmer community with better yield and realizations. It is symbolic of our idea of inclusive growth and covers land of at least 700 acres every year. This initiative has helped farmers increase their productivity to an average of about 17 quintals per hectare, 70% more than the national

average. The better yield has led to a better lifestyle for these farmers who have been assisted by our team of professionals with technical know-how, insecticides and pesticides. Today, this program is being rolled out across Madhya Pradesh and will ultimately be scaled up to other states in India.

We know we have only one earth and it is up to us to sustain its ecological balance. Our wind energy sector initiatives are bearing fruit and today we generate 78 MW of green energy from our wind farms which has 92 wind mills. The energy generated is equivalent to the energy used in our plants and thus, as a corporate, we are energy neutral in our plants. We are committed to generate and use green energy as a philosophy within the Company.

Education is another instrument of change. We believe that our ability to

touch the lives of children early in their childhood is critical to shaping their minds and character in the long-term. Thus, we are associated in various ways in promoting primary education among the children in and around the district of Morena in Madhya Pradesh. To create better employment opportunities, we are associated with providing the local youth with technical training so that they get jobs in local industries or become self-employed. We absorb significant number of young minds, who are trained under this program.

At K S Oils, we believe that CSR is all about long-term sustainability and we are helping in our small way through empowering farmers to get higher yields as well as alternative energy generation that also provides gainful employment and education while ensuring a better and brighter future for children of this country.



Rehabilitation is a long process that requires commitment not only from the community who wants to change, but also from those who want to change it. We are creating opportunities for inclusive growth by engaging local people from the Chambal ravines to join the mainstream through employment opportunities.





Transforming lives

K S Oils is showing the way forward to inclusive growth, by actively participating in an initiative to bring the former bandits of the Chambal ravines into the mainstream of the society. They have enhanced the quality of their life through the efforts and activities undertaken by K S Oils to return the happy smiles on the faces of many in this challenged community.



FINANCIAL INFORMATION

DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the Twenty Fifth Annual Report of the Company along with the Audited statement of Accounts for the period ended 31st March, 2010. The Report also includes the Management Discussion and Analysis Report in accordance with the provisions of the Clause 49 of the Listing Agreement. The year was marked by one of the worst financial crises in recent memory, where we have nonetheless excelled with strong growth and expansion, both domestically and internationally. Our focus on sustainable and long-term business vision has helped us grow our business profitably during these times.

We discuss with you the highlights of this financial year as below:

Financial Highlights

	2009-10	2008-09
Domestic Sales (Including High Seas Sales)	3,46,370	2,80,917
Export Sales	14,920	21,894
Sales against 'H' Form	41,670	11,987
Less: Excise Duty	260	131
Total Sales	4,02,700	3,14,667
Profit before Finance Cost, Depreciation, Exceptional Items and Taxes	47,602	36,204
Less: Finance Cost (Interest)	15,636	7,435
Profit before Depreciation, Exceptional Items and Taxes	31,966	28,769
Less: Depreciation	5,292	2,678
Profit before Exceptional Items and Taxes	26,674	26,091
Less: Exceptional Items	0	0
Profit before Taxes	26,674	26,091
Less: provision for Tax		
(a) Income Tax	4,763	2,669
(b) Tax for earlier year's	0	79
(c) Deferred Tax adjustments	(530)	6,364
(d) Fringe Benefit Tax	0	43
Profit after Taxes	22,441	16,936
Add: Balance brought forward from the previous year	29,561	15,460
Balance available for appropriation	52,002	32,396
Which the Directors have appropriated as under, to-		
(i) Proposed Dividend	736	714
(ii) Tax on Dividend	122	121
(iii) General Reserve	2,000	2,000
Total	2,858	2,835
Surplus carried forward to the balance sheet	49,144	29,561

Business Results

The Company reported a net sales of ₹ 4,027 crore as compared to ₹ 3,147 crore in the previous year, an increase of 28%. The net profit grew by 33% to ₹ 224 crore from ₹ 169 crore as reported in the previous year. The Company reported an EPS of ₹ 5.78 for the year ended 31st March, 2010.

During the year, a new brand Kalash Refined Soyabean was launched with an aim to capture leadership in the soyabean edible oil segment. With this, the Company's brands across mustard, soyabean and refined palm oil are creating a pan-India footprint. Due to the FMCG-led brand play, the Company is able to get a premium and the retail level focus will continue going forward. Today, nearly 60% of the Company's sales come from the branded segment and retail sales are also significantly increasing in proportion.

Raw material procurement remains one of our key strengths and during the year, we were able to implement several measures which helped us to save on costs and better our quality. Today, all our purchases are driven to ensure that we develop a long-term, fair and transparent relationship with the farmers; this will help us reducing intermediaries and procure directly, benefitting both the parties.

Division wise operational performance for the year ended 31st March, 2010 was as under:

A. Oil Segment

- 1. Mustard Oil:** During the year under review the Company's mustard oil plant was utilized up to 39% of its installed/available capacity; it processed 4,42,734 MT of mustard seeds. Mustard Oil production stood at 1,48,730 MT against that of 1,19,920 MT in the previous year, achieving a growth of 24% over last year. Your Company continued to be a leader in the mustard oil segment.
- 2. Refined Oil:** The Company's refined oil plants utilized 62% of their available capacity and processed 2,79,691 MT of crude oil. Refined oil production stood at 2,54,841 MT against that of 1,01,755 MT in the previous year, recording a significant jump of 150% over the previous year.
- 3. De Oiled Cake (DOC):** Solvent extraction plants utilized 54% of their available capacity during the year under review and processed 4,96,842 MT of oil cake/seeds. During the year, DOC production was at 4,35,207 MT as against 3,07,894 MT during the previous year, thus recording an increase of 41% over the previous year.
- 4. Vanaspati:** Production of Vanaspati was at 8,773 MT against that of 16,235 MT in the previous year, recording a significant decrease of 46% as compared to the previous year.

B. Power Segment

During the year, power generated through wind mills was 13,61,79,042 units as against 7,25,68,470 units in the last year, thus recording an increase of 88% over the previous year. Out of 13,61,79,042 units, the Company has utilized 2,09,46,966 units for in-house consumption and sold 12,98,03,199 units and generated ₹ 3,708 Lacs as additional revenue.

Dividend

In view of the improved performance of the Company, the Directors are pleased to recommend a dividend of 18% (₹ 0.18 per share) on equity share of ₹ 1/- each aggregating to ₹ 858 Lacs (which included tax on dividend of ₹ 122 Lacs) same as 18% dividend aggregating to ₹ 835 Lacs in the previous year (which included tax on dividend of ₹ 121 Lacs).

Consolidated Accounts

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

Subsidiary Company

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

Transfer to Reserve

The Company proposes to transfer 8.92% of the profit earned during the year i.e. ₹ 2,000 Lacs to the general reserve. The Company proposes to retain an amount of ₹ 19,582 Lacs out of current year's profit in the Profit and Loss Account.

Achievements

The Company received two significant awards during the year. Our premium umbrella brand, Kalash was voted as the "Fastest Growing Brand" by leading edible oil organization, GLOBOIL. We were awarded for being the highest processor of mustard oil cake in India and second largest exporter of mustard de-oil cake from India by the Industry body, 'Solvent Extractors Association of India'.

The Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) registered company's first 8.5 MW wind power based CDM project at Madhya Pradesh and Gujarat. This shows recognition of company's initiative towards sustainable development, environmental well being and global warming as a responsible and conscious business house.

These wins are significant for the Company and are intertwined. The recognition we got across various forums through different awards has given us a boost resulting in improved performance for us. We are set to create new performance benchmarks for the future.

Oil Palm plantation land development in South Asia

This year, the company acquired 53,000 acres in Kalimantan region and 35,000 acres in Sumatra region in Indonesia. With these acquisitions, the company's land bank in Indonesia today stands at 1,38,000 acres, the largest owned by any Indian Company. Nurseries have been set up on our existing plantations. Land Clearing and field planting have also commenced recently. The Company has done significant development work on the acquired oil palm plantation land last year. The plantations are developing well as per plans. 750 hectares of land have been successfully planted till now. Backward integration initiatives into acquiring palm plantations are expected to reduce raw material costs and boost profitability in the ensuing years. The palm plantation acquisition is a part of K S Oil's strategy to secure its raw material supplies and insulate itself against price fluctuations.

Collectively, the plantations in Indonesia and Malaysia will meet around 40% of K S Oils' demand. The plantations in the next 3 years are expected to provide high yields in harvest with the assistance of our R&D partners at NUS. The Company plans acquire further land in Indonesia to build significant plantation assets.

Manufacturing Plants

This year in the third quarter, the company commissioned its Ratlam plant. It has a capacity of 1,000 MT/day of Oil Mill, a solvent extraction plant with capacity of 1,000 MT/day and a refinery of 200 MT/day. The three new integrated functional plants at Kota, Guna and Ratlam have been built with the latest technology available across the globe and we believe, among few of the best state-of-the-art edible oil plants in Asia today. These plants are fully automated and require minimum human supervision, thereby reducing manpower costs significantly. Processes that match global standards and world-class manufacturing plants together result in quality products.

K S Oils now runs five state-of-the-art manufacturing plants that are truly world-class by all standards, which are spread over strategic geographic locations across the mustard and soyabean growing regions of India. We are the largest processor of rapeseed and amongst the top three processors of soyabean in India – giving us economies of scale, reduced input costs and ability to serve large number of customers.

Brand Building – Kalash, Double Sher and K S Gold

A key success during the year has been our focused marketing and brand building efforts. It is showing sustainable and long-term benefits to the Company. We have followed a three pronged approach to our brand building efforts. In the back-end, we have significantly improved our manufacturing process and today, manufacture Kalash and Double Sher in factory environs which are comparable to the best in Asia. This gives us quality, similar taste and tamper-proof packaging.

As a second measure, we have rolled out a strong retail distribution reach model and today have access to near about 1,313 distributors in Tier 1-2-3 cities in India. Also, we have a presence in the organized retail sector with our product being available across retail formats like Big Bazaar, More, Vishal Megamart and Reliance Retail.

On a third measure, we have created a very high decibel TV commercial and advertisement campaign across our key markets in leading GEC channels during the year. This advertisement with an ₹ 10 crore budget was well received and we saw more consumers coming for trial packs and increased loyalty among our current consumers. All this has resulted in a significant premium to our pricing - our per unit profit realization has gone up. We will continue our retail led brand focus to create significant mind and market share among Indian consumers.

Website

We had launched our renewed website two years back. It has been carefully developed so that while it disseminates information on one hand, it is also extremely user-friendly and successfully creates a unique visibility for us. The website has struck a chord with our young customers immediately and is developing a lasting relationship with them. Key company developments are updated on the website on a regular basis.

Renewable Energy Initiatives

During the year, Company has undertaken installation of 23 Wind Turbine Generators (WTGs) with a total power generation capacity of 19.6 MW in the states of Madhya Pradesh, Rajasthan and TamilNadu. A total of 92 WTGs of 78 MW capacity were installed till 31st March, 2010 with a total investment of ₹ 426 Crores.

In Rathedi area of district Dewas, Madhya Pradesh 11 WTGs of 800 KW capacity each totalling 8.8 MW, were installed. The wind farm is estimated to generate green power of 16.5 Lacs units per annum per WTG. All these eleven WTGs have been commissioned by June, 2009 and entailed an investment of ₹ 46.09 Crores. In view of increased energy consumption at the Guna unit situated in Madhya Pradesh, the Company is wheeling the energy generated by these 11 WTGs for captive consumption. Under the scheme, power generated from these WTGs is imported to MPTRANSCO grid and the Company shall get credit against the purchase of units at its Guna plant.

Against the order placed during the year, the Company has installed 4 WTGs of capacity 1500 KW each totalling to 6 MW in the state of Rajasthan at the Ratan ka Baas wind project site developed by Suzlon. Three WTGs have been commissioned in September, 2009 and balance one WTG was commissioned in the month of November, 2009 entailed an investment of ₹ 35.80 Crores. The average estimated generation for the Rajasthan wind farm is 31 Lacs units per annum per WTG, which will be sold to the Rajasthan Power Procurement Agency.

The Company has also installed 8 WTGs of capacity 600 KW each totalling to 4.8 MW in Palladam area of Tamil Nadu; this project is being developed by Suzlon. The average estimated generation for the Suzlon wind farm is 15.75 Lacs units per annum per WTG, which will be sold to the Tamilnadu Electricity Board. These 8 WTGs have been commissioned by April, 2009 with an investment of ₹ 28.47 Crores.

The power generated from the aforesaid WTGs, will provide additional revenue and income tax shield to the Company. During the year, The Company received first CDM revenue from pre-CDM VERs originated from registered CDM project of 8.5 MW wind mills situated at Dewas and Kutch. The Company is also eligible for carbon credits approximately 16,600 per year up to 10 years crediting period. The CDM projects developed by the Company at Tamil Nadu, Rajasthan and Madhya Pradesh are at different stages of Validation process of CDM cycle. The proceeds from the sale of carbon credit would make the project financially feasible and shall improve the expected rate of return. Moreover, the project will aim at reduction of greenhouse gas emissions and will contribute towards climate change mitigation efforts. This will generate carbon credits by reducing GHG emission under Kyoto Protocol and the revenue generated from sale of carbon credits would support the project financially in additions to returns from the power generation.

Capital Raising/ Preferential Allotment of Securities and Utilization of Proceeds Received from Preferential Allotment

Preferential Issues of Equity Shares and Warrants

- a) In order to meet the fund requirement of the Company for its (i) Expansion of refinery in India along with other allied expenditure (ii) Investment in its overseas subsidiaries for development of Greenfield palm plantations and acquisition of mature palm plantations and/or CPO mills, all in Indonesia. The Company has come out with preferential allotment of Equity Shares and Warrants to the promoters and other foreign Investors during the year at an issue price calculated under SEBI (DIP) Guidelines, 2000 on preferential basis duly approved by Shareholders and Board of Directors of the Company.
- b) During the year Company has allotted 2,79,21,406 Equity Shares of ₹ 1/- each at a premium of ₹ 47.43/- each to NSR Direct PE Mauritius, LLC and raised ₹ 13,522.30 Lacs.

- c) On 5th September, 2009 the Company has allotted 86,72,566 Warrants to Baring Private Equity Asia III Mauritius Holdings (3) Limited of ₹ 1/- each at premium of ₹ 55.50/- per Warrant and receive 25% of the Issue price and raised ₹ 1,225.43 Lacs.
- d) On 5th September, 2009 the Company has allotted 86,72,566 Warrants to:
1. CVCIGP II Client Rosehill Limited - 55,59,115.
 2. CVCIGP II Employee Rosehill Limited - 31,13,451
- of ₹ 1/- each at premium of ₹ 55.50/- per Warrant upon receipt of 25% of the Issue price and raised ₹ 1,225.43 Lacs.
- e) During the year the Company has allotted 2,88,07,339 warrants to promoter of ₹ 1/- each at a premium of ₹ 53.50/- each on receipt of ₹ 3,926.00 Lacs towards 25% of issue price. Further on 29th January, 2010, Company has allotted 1,23,46,002 equity shares of ₹ 1/- each to promoters upon conversion of 1,23,46,002 promoters warrants on receipts of ₹ 5,046.00 Lacs towards balance 75% of issue price. The Company had also received an additional amount of ₹ 2,454.00 Lacs which has been appropriated towards exercise price of promoter warrants pending for allotment.
- f) The entire proceeds have been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries except having ₹ 7,537.17 Lacs which were in the shape of Fixed Deposit Receipts at the end of the year.

GDR Issue

- a) The Company has also come out with GDR Issue during July, 2009 to meet its requirement of expenditure for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries. These overseas subsidiaries shall use these amounts for development of Greenfield palm plantations and acquisition of matured palm plantations and/or CPO mills, all in Indonesia. The Company has issued 12,40,952 GDRs on 15th July, 2009 to foreign investors and raised ₹ 6,008.35 Lacs (US\$ 123.40 Lacs). The GDRs are listed with Singapore Stock Exchange and each GDR is entitled to be converted into 10 equity shares of ₹ 1/- each.
- b) Out of the amount raised by the Company through GDR Issue during financial year 2009-10, the entire proceed has been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries.

Management Discussion and Analysis

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

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

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

Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. They have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

Directors

The Board of Directors of the Company ("the Board") appointed Mr. Rajeev Kalra on 2nd June, 2010 as Additional Directors of the Company. In terms of the provisions of Section 260 of the Act, Mr. Rajeev Kalra holds office up to the date of next Annual General Meeting. The Company has received a notice in writing from the member proposing the candidatures of Mr. Rajeev Kalra for the office of Director of the Company under the provisions of Section 257 of the Act Mr. Rajeev Kalra will not liable to retire by rotation.

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. Ramesh Chand Garg, Mr. Rajinder Pal Singh and Mr. R. S. Sisodia are directors retire by rotation in the forthcoming Annual General Meeting. All of them, being eligible, seek re-appointment.

Fixed Deposits

The Company has not accepted any deposits and, as such no amount of principal or interest was outstanding on the date of balance sheet.

Employees' Particulars

The Statement included details of employees of the category mentioned in Section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975 is annexed to Director's Report.

Manpower Development Process

We are strengthening our leadership pipeline by creating a 'talent farm' that will take the company to the next level of growth. We have identified 100 competent leaders who will together form a strong second rung leadership for the organisation. This batch comes from diverse professional backgrounds bringing skill-sets that add to the organisation's strength. They have been through an exhaustive training program at various institutes in addition to the in-house training received by expert consultants. These leaders will propel K S Oils to newer horizons of growth.

Auditors

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

The comments on the statement of Account referred to in Report of Auditors are self-explanatory and the management has already taken steps to (a) strengthen its Internal control system, (b) maintenance of Cost Records under Section 209 (1)(d) as per rules made by the Central Government (c) registration of applicable ESI (d) maintenance of Fixed Assets register of Morena plant.

Report on Corporate Governance

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

Employee Stock Option Scheme

Members' approval was obtained at the Extra Ordinary General meeting held on 20th October, 2007 for Employees Stock Option Scheme (hereinafter referred as ESOPs).

ESOPs was approved and implemented by the Company and options were granted to employees in accordance with SEBI guidelines, 1999. The Compensation Committee, constituted in accordance with SEBI guidelines to administer and monitors the Scheme.

The applicable disclosures as stipulated under SEBI guidelines as 31st March, 2010 as given below:

1. Options Granted during the year	Nil
2. Pricing Formula	The exercise price of options shall be of market value of the share on date of grant as under SEBI guidelines.
3. Exercise Price	N.A
4. Option Vested	None
5. Option exercised	None
6. Total Nos. of shares arising as result of exercise of option	None
7. Option Lapsed	8,00,000
8. Variation in terms of option	None
9. Money realized by exercise of options	None
10. Employee-wise details of option granting during the year to	
i. Senior management personnel	
Mr. Sanjay Agarwal	Nil
Mr. R. Ganesh	Nil
ii. Employees who received the option amounting more than 5% or more of options granted during the year.	None
iii. Employees who received the options during the year equal or exceeding 1% of the issued capital of Company at the time of grant	None

11. Diluted EPS before exceptional item pursuant to issue of shares on exercise of options calculated as per Accounting Standard (AS-20): 5.71
12. In the present case as the employee compensation cost has been calculated using the Fair Value of the Stock Options and the Intrinsic Value has not been considered. As the exercise would be made at the market price prevailing as on date of grant plus applicable taxes as may be levied on the Company, the issuance of equity shares pursuant to exercise of option will not affect Profit and Loss account of the Company.

Details of Weighted Average exercise price of options granted and fair value price of options and the fair value has been calculated using Black scholes option pricing model given in Notes to Accounts.

Acknowledgements

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

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

Place: Delhi
Date: 4th September, 2010

Ramesh Chand Garg
Chairman

ANNEXURE TO DIRECTORS' REPORT

A. Conservation of Energy

The Company continues its attempts to improve Energy conservation and utilization.

- a) Energy conservation measures undertaken:
 - i) 1200 KVAR Capacitor bank installed at Guna Plant and Kota Plant for reducing the losses in electrical systems and getting the Power factor incentive from SEB.
 - ii) VFD Control Panels are installed for Boiler ID/ FD Fans/ Screw feeder Drives at Kota/ Guna/ Morena Plant.
 - iii) Cyclic Timer is used for street light automatic control.
 - iv) High efficiency lighting with electronic chokes and CFLs used for the Staff/ Hammal Quarters/ Lab/ admin Blocks building office area.
 - v) Energy efficient precision air conditioning system for UPS installed at Morena Plant .
 - vi) PLC controlled Oil Mill and seed handling system and Solvent extraction plant which controls the plant with sequential operation and avoids unmonitored idle use, also conserves the electrical energy through the speed regulation by VFDs of various drive motors conveyors.
 - vii) Efficiency Class 1 (High Efficiency Motors used) in new sections.

- b) Additional Investment and proposal if any, being implemented for reduction of consumption of energy:

During the year the Company has undertaken installation of 23 nos. Wind Turbine Generators (WTG's) of capacity 600 KW, 800 KW and 1,500 KW each totalling to 19.6 MW windfarm project in the state of Tamilnadu, Madhya Pradesh and Rajasthan being developed by Suzlon Energy Limited and Enercon India Limited. The estimated generation for Enercon WTGs of 800 KW each in Madhya Pradesh wind farm is 16.5 Lacs units per annum per WTG. The average estimated generation of Suzlon WTGs of 600 KW each in Tamilnadu wind farm is 16 Lacs units per annum per WTG & that of 1500 KW each in Rajasthan wind farm is 31 Lacs units per annum per WTG. The total investment of ₹ 11,036.47 Lacs incurred in developing windfarm in the state of Tamil Nadu, Madhya Pradesh and Rajasthan. Looking into increasing energy consumption of Guna unit, we have proposed to wheel the energy generated by additional 11 Nos WTG's at Madhya Pradesh for our captive consumption.

- c) Total energy consumption and energy consumption per unit of production

Form 'A'			
Form for Disclosure of Particulars with respect to Conservation of Energy			
		2009-10	2008-09
(A)	Power and fuel consumption		
	1. Electricity		
	(a) Purchase:		
	Unit	3,02,02,237	1,59,82,597
	Total amount (₹)	17,18,39,291	9,32,44,457
	Rate/ Unit (₹)	5.69	5.83

	2009-10	2008-09
(b) Own generation:		
(i) Through Diesel generator:		
Unit	56,78,268	79,05,868
Unit per ltr. of Diesel oil (₹)	3.94	4.20
Cost/ Unit (₹)	8.31	8.04
(ii) Through WTG's:		
Unit	2,09,46,966	1,36,07,453
Total amount (₹)	6,80,04,025	5,05,92,469
Rate/ Unit (₹)	3.25	3.72
2. Coal		
Quantity (MT)	72,771	44,843
Total Cost (₹)	24,81,89,111	15,11,20,864
Average Rate (₹)	3,410.55	3,370.01
3. Furnace Oil	-	-
4. Others	-	-
(B) Consumption per Unit of Production	(Per MT)	(Per MT)
Product (with details) unit: Oil and Vanaspati Div. (Current year: 8,47,551 MT Previous year: 5,45,804 MT)		
Electricity	67.05	68.70
Furnace Oil		
Coal	0.09	0.08
Others		

B. Technology Absorption - as given in Form 'B' below

Form 'B'

Form for Disclosures of Particulars with respect to Absorption

TECHNOLOGY ABSORPTION

Research and Development (R & D)

The Company is carrying out research work on mustard oil so that more value added products could be introduced. The Company is also developing derivatives and additives of Mustard Oil.

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

During the year under review efforts made in the following areas with a specific objective of optimization of process systems and adoption of parameters ensuring Product improvement and cost reduction:

- Developed of new cost effective process to produce pungent Mustard oil from expeller, instead of producing the same from traditional Kollhu method and it is a very unique process to expel pungent oil.
- Upgradation of solvent plant to improve the quality of Recovered Oil.

- Development of company's Brands "Double Sher" and "Kalash", mustard oil products to expand market and increase consumption and promote them as "Heart Friendly Cooking Medium".
- To reduce the cost of materials, to effect import substitution, process simplification and time reduction.
- Quality improvements and up gradation of raw material suppliers.
- Quality Control.
- Reduction of emission of pollutants from chimney by installing Pollution Control Equipments.
- Automation of packaging system.
- Market surveys from a reputed organization to ensure strong presence in Retail Market.

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

- Development of high quality, value added and cost effective consumer preferred edible oils.
- Reduction in cost of raw and packaging materials and reduction in product process time.
- Significantly reduce the emission of pollutants into environment.
- The quality of company's products has improved the hereby enjoying significant position in the industry.

3) Future plan of action

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

4) Expenditure on R & D

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

C. Foreign Exchange Earning and Outgo of the Company

Particulars	(₹ in Lacs)	
	2009-2010	2008-2009
a) Foreign exchange earning of the Company:		
Earning on FOB basis	12,681.50	20,856.90
Interest on deposits with banks	Nil	Nil
Interest on loan to subsidiaries	189.14	144.64
b) Foreign Exchange Outgo:		
i. CIF value of imports		
a) Raw Material	47,511.84	34,936.71
b) Finished Goods	-	-
c) Capital Goods	1,587.63	97.71
ii. Expenditure in foreign currency	1,139.04	532.37
iii. Investment in Foreign Subsidiaries		
a) As subscription amount for Shares therein	11,801.32	6,404.52
b) Loan to Subsidiaries	Nil	310.09

D. The Statement included details of employees of the category mentioned in Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Name	Date of Birth	Designation	Gross remuneration (Per Annum/ Month)	Qualifications	Experience	Date of joining	Last employment	Shareholding as on 31 st March, 2010
Mr. Ramesh Chand Garg	1 st January, 1959	Chairman	48,00,000 p. a.	Graduate	33 years	27 th September, 2003	-	5,99,36,458 (14.66%)
Mr. Sanjay Agarwal	30 th September, 1964	Managing Director	42,00,000 p. a.	CA, CS	19 years	25 th November, 2006	Practicing Chartered Accountant	Nil
Mr. Sourabh Garg	10 th October, 1977	Executive Director	36,00,000 p. a.	Graduate	11 years	1 st July, 2006	-	1,44,91,270 (3.54%)
Mr. R Ganesh	9 th November, 1953	Executive Director	36,00,000 p. a.	FCS, CAIIB, L.L.B., B.Com.	35 years	16 th January, 2007	Professional Practice	191 (0.00%)
Mr. Ashwani Garg	18 th December, 1975	Vice President	2,31,875 p. m.	MBA	12 years	1 st October, 2007	Aditya Industries	4,60,000 (0.01%)
Mr. Yogendra Garg	4 th April, 1972	Vice President	2,19,467 p. m.	B.E., MBA	14 years	1 st December, 2008	Aditya Birla Retails	Nil
Mr. Himanshu Gandhi	25 th November, 1972	Vice President	2,06,000 p. m.	B.Com	19 years	24 th September, 2008	Self Employed	Nil

Notes

1. Remuneration includes basic salary, allowance, taxable value of perquisites. The term remuneration has the meaning assigned to it in the Explanation to Section 198 of the Companies Act, 1956.
2. Mr. Sourabh Garg is the son of Mr. Ramesh Chand Garg and related to each other.
3. Mr. Sourabh Garg and Mr. Ramesh Chand Garg are holding more than 2% of the outstanding shares of the Company as at 31st March, 2010.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a key pillar of K S Oils value system, as it promotes confidence and trust which resulting in to stable and sustained resource flows and long-term relationships with its investors and other stakeholders. The driving forces of Corporate Governance at K S Oils are its core values-Excellence and Customer Satisfaction, Maximizing Long-Term Value for Stakeholders, Good Corporate Conduct and Environmental Friendliness/Sustainability.

Your Company is fully committed to follow the procedures and practices in conformity with Clause 49 of the Listing Agreement of the Stock Exchanges, as applicable. Your Directors present the Company's Report on Corporate Governance as under:

1. BOARD OF DIRECTORS

A. COMPOSITION AND CATEGORY

The Board of Directors of the Company consists of an optimum combination of Executive, Non-Executive and Independent Directors, to ensure the independent functioning of the Board except to appoint one more Independent Director.

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

The Composition of the Board of Directors, and the Number of other Board Committees in which they are Chairman/ Members, are given as under:

The present strength of the Board of Directors is 13 (thirteen) of which four are Executive Directors and 6 (six) are Independent Directors and 3 are Nominee Directors.

The following is the composition of the Board as on 31st March, 2010

Name of Director	Category of Directorship	Designation	Directorship in other Companies	No. of Board Committees in which Chairman/ Member	
				Chairman	Member
Executive Directors					
Mr. Ramesh Chand Garg	Promoter	Chairman	K S Oils SDN. BHD. K S Agri Resource Pte. Ltd. K S Natural Resources Pte. Ltd. P T Buana Mega Sentosa Plantation (Appointed as Commissioner on Board) P T Bio Diesel Jambi P T Tunas Bersusan Abadi	1	-
Mr. Sanjay Agarwal	Professional	Managing Director	K S Oils SDN. BHD. K S Agri Resource Pte. Ltd. K S Natural Resources Pte. Ltd. P T Buana Mega Sentosa Plantation P T Bio Diesel Jambi P T Tunas Bersusan Abadi	1	3
Mr. Sourabh Garg	Promoter	Whole-Time Director	P T Buana Mega Sentosa Plantation P T Bio Diesel Jambi P T Tunas Bersusan Abadi	-	2
Mr. R. Ganesh	Professional	Whole-Time Director	Alphaplus Corporate Services Pvt. Ltd.	-	1

Name of Director	Category of Directorship	Designation	Directorship in other Companies	No. of Board Committees in which Chairman/ Member	
				Chairman	Member
Non-Executive Directors					
Mr. Pramod Kumar Mandloi	Independent	Director	None	3	2
Mr. Brij Mahendra Nandan Singh	Independent	Director	None	-	2
Dr. R. S. Sisodia	Independent	Director	None	-	3
Dr. Rajinder Pal Singh	Independent	Director	None	-	-
Mr. Rashmi Kant Nagar	Independent	Director	None	-	-
Mr. Jaipal Singh	Independent Director	Director	None	-	-
Other Non-Executive Directors					
Mr. P. R. Srinivasan	Independent	Nominee Director	JBF Industries Ltd. You Broadband & Cable India Ltd. ShareKhan Ltd. Human Value Developers Pvt. Ltd. Ind-Barath Power Infra Ltd. K S Natural Resources Pte. Ltd.	1	-
Mr. Jimmy Lachmandas Mahtani	Independent	Nominee Director	Bhushan Power & Steel Ltd. Pratibha Syntex Ltd. JSM Holdings Ltd. Karvy Stock Broking Ltd. ShareKhan Ltd. Rithwik Projects Ltd. RSP Design Consultants (India) Pvt. Ltd. Coastal Projects Pvt. Ltd. K S Natural Resources Pte. Ltd.	-	12
Mr. Vivek Sett	Independent	Nominee Director	New Silk Route Advisor Pvt. Ltd. New Silk Route Towers Pvt. Ltd. Aster Infrastructure Pvt. Ltd. Infrastructure & Energy Ltd. Rolex Rings Private Ltd. K S Natural Resources Pte. Ltd. Nectar Life Sciences Ltd.	-	-

Change Introduced after 31st March, 2010 in Composition of Board

- Mr. Rajeev Kalra was appointed as an Independent Additional Director w.e.f. 2nd June, 2010 he holds the directorship in the following companies:
 - Jai Balaji Industries Limited
 - Spentex Industries Limited
- Mr. P. R. Srinivasan Ceased from his Directorship w.e.f. 31st May, 2010.

Board Procedure

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

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

During the financial year ended on 31st March, 2010, Nine Board Meetings were held on following dates and the maximum time gap between two meetings did not exceed four months:

29 th April, 2009	18 th May, 2009	26 th June, 2009
1 st July, 2009	15 th July, 2009	30 th July, 2009
5 th September, 2009	29 th October, 2009	29 th January, 2010

Name of the Director	Meetings held during the tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM held on 30 th September, 2009
Mr. Ramesh Chand Garg	9	9	Present
Mr. Sanjay Agarwal	9	8	Present
Mr. Sourabh Garg	9	7	-
Mr. R. Ganesh	9	4	Present
Mr. P. R. Srinivasan	9	4	-
Mr. P. K. Mandloi (Chairman Audit Committee)	9	8	-
Mr. B. N. Singh	9	9	-
Dr. R. S. Sisodia	9	9	Present
Mr. Jimmy L. Mahtani	9	2	-
Mr. R. P. Singh	9	5	-
Mr. Jaipal Singh	9	5	Present
Mr. Vivek Sett	6	5	-
Mr. Rashmi Kant Nagar	9	3	-

Annual General Meeting of the Company was held on 30th September, 2009 At T. R. Puram, A. B. Road, Morena, Madhya Pradesh – 476 001. The following Directors were presents during the Annual General Meeting:

1. Mr. Ramesh Chand Garg (Chairman)
2. Mr. Sanjay Agarwal (Managing Director)
3. Mr. R. Ganesh (Director)
4. Mr. Jaipal Singh (Director)
5. Dr. R. S. Sisodia (Director)

B. NON-EXECUTIVE DIRECTORS COMPENSATION AND DISCLOSURES

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

Details of Shareholding of Non-Executive Directors as on 31st March, 2010 and the Sitting fee paid to them during the financial 2009-10 are as follows

Name of Non-Executive Directors	Sitting Fees (in ₹)	No. of Shares Held
Mr. P. K. Mandloi	1,30,000	-
Mr. B. N. Singh	95,000	-
Dr. R. S. Sisodia	1,20,000	-
Mr. Jaipal Singh	50,000	-
Mr. R. K. Nagar	30,000	-

Notes:

* Mr. P. R. Srinivasan, Mr. Vivek Sett and Mr. Jimmy Lachmandas Mahtani are the Nominee Directors representing CVCI, Baring Private Equity, Asia and NSR respectively, have not been paid any sitting fee. Further, Dr. R. P. Singh had waived his right to claim sitting fees during the year.

1. The Company has not entered in to any pecuniary relationship or transaction with the Non-Executive Directors.
2. The Company does not pay any performance linked incentives to the Directors.
3. The sitting fees paid to Non-Executive Directors including Independent Directors are within the limits prescribed under the Companies Act, 1956 and therefore, do not require the prior approval of shareholders.

C. CODE OF CONDUCT

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

Code of Conduct for Prevention of Insider Trading

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

Declaration by Managing Director

I, Sanjay Agarwal, Managing Director of K S Oils Limited, hereby confirm that all the Board members and Senior Management personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2010.

Place: New Delhi
Date: 4th September, 2010

Sanjay Agarwal
Managing Director

2. COMMITTEES OF THE BOARD

Currently there are five Board Committees, namely the Audit Committee, Shareholders/ Investors Grievances Committee, Remuneration Committee, Compensation Committee and Management and Finance Committee. The terms of reference of these Committees are determined by the Board from time to time. The meetings of each Board Committee are convened by the Secretary of the Company. Signed minutes of the Committees are placed before the Board for their information. The role and composition of these Board Committees including the number of meetings held during the financial year are as follows

A. REMUNERATION COMMITTEE

Terms of Reference

The Broad terms of reference of Remuneration Committee of the Board are to recommend to the Board the compensation terms of Executive Directors and the senior-most level of management immediately below the Executive Directors.

The Remuneration Committee of the Company comprises of the Three Non-Executive Independent Directors of the Company namely

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

During the financial year under review no meeting of the Remuneration Committee took place.

Remuneration Policy

The remuneration of Executive Directors is considered by the Board on the recommendation of Remuneration Committee, subject to approval by the shareholders at the General Body Meeting and by statutory authorities if required. The Remuneration Committee fixes the remuneration considering various factors such as qualification, experience, expertise, prevailing remuneration in competitive industries, financial position of the Company, etc. The remuneration structure comprises basic salary, commission, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 1956. The remuneration policy for Whole-time Director is directed towards rewarding performance, based on review of achievements.

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

Remuneration paid to the Chairman, Managing Director and Whole-Time Directors during the year (in ₹)

Name of Director	Position	Salary	Perquisites and Allowances	Commission	Total
Mr. Ramesh Chand Garg	Chairman cum Whole-Time Director	48,00,000	39,600	0	48,39,600
Mr. Sanjay Agarwal	Managing Director	42,00,000	39,600	0	42,39,600
Mr. Sourabh Garg	Whole-Time Director	36,00,000	39,600	0	36,39,600
Mr. R. Ganesh	Whole-Time Director	36,00,000	39,600	0	36,39,600

*Mr. Ramesh Chand Garg, Chairman and Mr. Sourabh Garg, Whole-Time Director, being the Promoters of the Company, have not been granted any stock option in compliance with the SEBI Guidelines. The other relevant details of stock options, including exercise period, vesting period, etc. are covered elsewhere in this Report.

Details of Service Contracts

Names	Date of last Appointment	Tenure	From	To
Mr. Ramesh Chand Garg	30 th June, 2006	5 years	1 st July, 2006	30 th June, 2011
Mr. Sanjay Agarwal	25 th November, 2006	5 years	25 th November, 2006	24 th November, 2011
Mr. Sourabh Garg	1 st June, 2007	5 years	1 st June, 2007	31 st May, 2012
Mr. R. Ganesh	16 th January, 2007	5 years	16 th January, 2007	15 th January, 2012

The tenure of office of the Managing Director and Whole-Time Directors is for a period of 5 years from their respective dates of appointments and can be terminated by either party by giving six months or as the case may be, three months' notice in writing. There is no separate provision for payment of severance fees.

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B. SHAREHOLDERS'/ INVESTORS' GRIEVANCES COMMITTEE

The Shareholders'/ Investors' Grievances Committee of the Board look into redressal of Investors' Complaints and requests, such as delay in transfer of shares, non-receipt of Dividend, Annual Report, revalidation of Dividend Warrants etc.

The Committee deals with various matters relating to:

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

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

Composition and Attendance of Shareholders'/ Investors' Grievance Committee

The Quorum for functioning of the Committee is the presence of any two Directors. Eight meetings of the Committee were held during this financial year. The meetings were held on: 30th April, 2009, 15th May, 2009, 30th June, 2009, 18th August, 2009, 25th September, 2009, 15th December, 2009, 30th January, 2010, 3rd March, 2010.

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

Members	Position	Meetings held during the tenure of Directors	No. of meetings attended
Mr. P. K. Mandloi	Chairman	8	8
Mr. Sanjay Agarwal	Member	8	7
Mr. Sourabh Garg	Member	8	8

The Company Secretary of the Company acts as Secretary to the Shareholders'/Investors' Grievance Committee. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 86 (Eighty Six). There are no complaints pending, as on 31st March, 2010, which have not been resolved to the satisfaction of the shareholders and not any pending transfer.

C. COMPENSATION COMMITTEE:

Pursuant to the mandatory provisions of SEBI (ESOS & ESOPS) Guidelines, 1999 for introducing ESOS, the Company has constituted a Compensation Committee for efficient operation/supervision and administration of the proposed ESOS.

Terms of Reference

- The Compensation Committee will formulate the detailed terms and conditions of the Scheme including:
 - Number of options to be granted to any employee and in the aggregate;
 - Terms on which the options will vest;
 - The conditions under which options vested in employees may lapse;
 - The exercise period within which an employee should exercise the option and lapsing of the option on failure to exercise the option within the exercise period;
 - The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee;
 - The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
 - The grant, vesting and exercise of option in case of employees who are on long leave;
 - Procedure and mechanism for cashless exercise of options;
 - Lock-in period for the shares issued pursuant to exercise of the options; and
 - Any other related or incidental matters.
- To look into the other day to day operations of the Scheme.

Composition and Attendance of Compensation Committee

Members	Position in Committee	Meetings held during tenure of Directors	No. of meetings attended
Mr. Sanjay Agarwal	Chairman	1	1
Mr. R. Ganesh	Member	1	1
Mr. P. K. Mandloi	Member	1	1
Mr. B. N. Singh	Member	1	1
Dr. R. S. Sisodia	Member	1	1

- The Company Secretary of the Company acts as Secretary to the Compensation Committee.
- The Quorum for the Committee's meeting consists of three Directors present in person and decisions are taken by the Committee by majority in opinion.
- During the financial year, the Committee met once on 5th September, 2009, in which the Company has altered the ESOP scheme under ESOP Plan, 2007 and no ESOP's were granted to any Employee.

D. MANAGEMENT AND FINANCE COMMITTEE

The primary role of the Management and Finance Committee, for which it has been constituted, is strategic management of the Company's business within the Board-approved direction. This role deals with the banks for finance facilities and matters related to government agencies, licensing authorities and other day to day matters of the Company. The Committee deals with matters which require decisions at short intervals for smooth operations of the Company.

Terms and reference

- To look into matters pertaining to finance and banking and approve the availing of fund-raising and finance facilities from banks and financial institutions.
- To deal with the government authorities, semi-government authorities and other organizations with reference to the day-to-day operations of the Company such as obtaining approvals, sanctions, licenses etc.
- To review the long-term business plans, capital expenditure, business strategies and organizational structure of the Company.
- To look into the other day-to-day operations of the Company.

Decisions/ actions taken by the Committee are placed before the Board in the form of signed minutes and notes from the Chairman of the Committee for information/ reviewing/ approval by the Board of Directors at their meeting.

Composition and Attendance

During the financial year 2009-2010, Management and Finance Committee Meetings at met 25 times as per the details given under-

13 th April, 2009	7 th August, 2009	17 th December, 2009	17 th March, 2010
2 nd May, 2009	1 st September, 2009	5 th January, 2010	18 th March, 2010
18 th May, 2009	16 th September, 2009	2 nd February, 2010	23 rd March, 2010
16 th June, 2009	13 th October, 2009	4 th February, 2010	27 th March, 2010
20 th June, 2009	28 th October, 2009	10 th February, 2010	
4 th July, 2009	2 nd November, 2009	15 th February, 2010	
20 th July, 2009	14 th November, 2009	5 th March, 2010	

Composition of the Committee as on 31st March, 2010 and attendance of Members at the meetings of the Management and Finance Committee held during the year 2009-10 was as follows

Members	Position	Total No. of Meetings	No. of meetings attended
Mr. Ramesh Chand Garg	Chairman	25	25
Mr. Sanjay Agrawal	Member	25	20
Mr. Sourabh Garg	Member	25	25
Mr. P. K. Mandloi	Member	25	25

E. AUDIT COMMITTEE

Composition and attendance

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the Companies Act, 1956 and comprises two Non-Executive Independent Directors. The Directors responsible for the Finance function, Internal Control and representatives of Statutory Auditors, are invitees to meetings of Audit committee. All the Members of Audit Committee are financially literate, including the Chairman of the committee who possesses knowledge and expertise in corporate finance, accounts and Company law.

During the financial year 2009-2010, five Audit Committee Meetings were held as under-

28 th April, 2009	29 th July, 2009	05 th September, 2009	29 th October, 2009	29 th January, 2010
------------------------------	-----------------------------	----------------------------------	--------------------------------	--------------------------------

The Composition of the Audit Committee and Attendance of Members at the meetings of the Audit Committee held during the year 2009-10 is as follows

Members	Chairman/ Member	Total No. of Meetings	No. of meetings attended
Mr. P. K. Mandloi	Chairman	5	5
Dr. R. S. Sisodia	Member	5	5
Mr. Sanjay Agarwal	Member	5	5

Company Secretary of the Company acts as the Secretary to the Committee.

Terms of Reference

The Audit Committee has been constituted as per Section 292 A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges. The Audit Committee of the Company, inter-alia, provides assurance to the Board on the existence and adequacy of an effective internal control system that ensures:-

- Efficiency and effectiveness of Internal Control and Audit.
- Safeguarding of assets and adequacy of provisions for liabilities.
- Reliability of all financial and other information and adequacy of disclosures.
- Compliance with all relevant statutes.

The Terms of Reference of the Audit Committee are in accordance with the requirements of Clause 49 of the Listing Agreement, as specified by the Board of Directors of the Company and inter-alia includes:

- Reviewing the Company's financial reporting process and disclosure of financial information.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliances with accounting standards and legal requirements concerning financial statements.
- Reviewing the adequacy of internal control system and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve payment of other services.
- Reviewing the reports furnished by the internal auditors and statutory auditors and ensuring suitable follow up thereon.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India during the year. Compliance of the Accounting Standards as applicable to the Company has been ensured in the Financial Statements for the year ended 31st March, 2010.

3. SUBSIDIARY COMPANIES

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

4. DISCLOSURES

A. RELATED PARTY TRANSACTIONS

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

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

B. DISCLOSURE OF ACCOUNTING TREATMENT

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

C. BOARD DISCLOSURES

Disclosure on Risk Management

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

D. UTILIZATION OF PROCEEDS FROM THE PREFERENTIAL ISSUE OF EQUITY SHARES

Preferential Issues of Equity Shares and Warrants

- a) In order to meet the fund requirement of the Company for its (i) Expansion of refinery in India along with other allied expenditure (ii) Investment in its overseas subsidiaries for development of Greenfield palm plantations and acquisition of mature palm plantations and/or CPO mills, all in Indonesia. The Company has come out with preferential allotment of Equity Shares and Warrants to the promoters and other foreign Investors during the year at an issue price calculated under SEBI (DIP) Guidelines, 2000 on preferential basis duly approved by Shareholders and Board of Directors of the Company.
- b) During the year Company has allotted 2,79,21,406 Equity Shares of ₹ 1/- each at a premium of ₹ 47.43/- each to NSR Direct PE Mauritius, LLC and raised ₹ 13,522.30 Lacs.
- c) On 5th September, 2009 the Company has allotted 86,72,566 Warrants to Baring Private Equity Asia III Mauritius Holdings (3) Limited of ₹ 1/- each at premium of ₹ 55.50/- per Warrant and receive 25% of the Issue price and raised ₹ 1,225.43 Lacs.
- d) On 5th September, 2009 the Company has allotted 86,72,566 Warrants to:-
 1. CVCIGP II Client Rosehill Limited - 55,59,115.
 2. CVCIGP II Employee Rosehill Limited - 31,13,451of ₹ 1/- each at premium of ₹ 55.50/- per Warrant upon receipt of 25% of the Issue price and raised ₹ 1,225.43 Lacs.
- e) During the year the Company has allotted 2,88,07,339 warrants to promoter of ₹ 1/- each at a premium of ₹ 53.50/- each on receipt of ₹ 3,926.00 Lacs towards 25% of issue price. Further on 29th January, 2010, Company has allotted 1,23,46,002 equity shares of ₹ 1/- each to promoters upon conversion of 1,23,46,002 promoters warrants on receipts of ₹ 5,046.00 Lacs towards balance 75% of issue price. The Company had also received an additional amount of ₹ 2,454.00 Lacs which has been appropriated towards exercise price of promoter warrants pending for allotment.
- f) The entire proceeds have been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries except having ₹ 7,537.17 Lacs which were in the shape of Fixed Deposit Receipts at the end of the year.

GDR Issue

- a) The Company has also come out with GDR Issue during July, 2009 to meet its requirement of expenditure for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries. These overseas subsidiaries shall use these amounts for development of Greenfield palm plantations and acquisition of matured palm plantations and/or CPO mills, all in Indonesia. The Company has issued 12,40,952 GDRs on 15th July, 2009 to foreign investors and raised ₹ 6,008.35 Lacs (US\$ 123.40 Lacs). The GDRs are listed with Singapore Stock Exchange and each GDR is entitled to be converted into 10 Equity Shares of ₹ 1/- each.
- b) Out of the amount raised by the Company through GDR Issue during financial year 2009-10, the entire proceed has been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries.

E. REMUNERATION OF DIRECTORS

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

F. MANAGEMENT DISCUSSION AND ANALYSIS

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

G. SHAREHOLDERS

The Company has around 40,000 shareholders. The communication channel to the shareholders of the Company is through the Annual Report, which includes Audited Annual Accounts of the Company along with the Auditors and Directors Report, Corporate Governance and Management Discussion and Analysis, and all relevant information needed by the shareholders.

Apart from annual communication with the shareholders, the Company communicates with its shareholders by providing quarterly unaudited results which are published in The Economic Times, Business Standard, Nav Bharat Times (Hindi Edition) and Dainik Bhaskar (Hindi Edition), apart from press releases on the Company's website www.ksoils.com.

In terms of clauses of the listing agreements, the Company is filing its Annual Reports, quarterly results, shareholding pattern, and press releases to the Bombay Stock Exchange, the National Stock Exchange and on the Company's website. The Company Secretary of the Company has been appointed as Compliance officer of the Company.

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

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

Year	Date	Day	Location of the Meeting	Time	Details of Special Resolution
I. Annual General Meeting					
2007-2008	23 rd June, 2007	Saturday	T. R. Puram, A. B. Road, Morena - 476 001, M.P.	4.00 p.m.	<ol style="list-style-type: none"> 1. Sub-division of nominal value of shares from ₹ 10/- each to ₹ 1/- each. 2. Amendment of Memorandum of Association consequent to Sub-division of nominal value of shares from ₹ 10/- each to ₹ 1/- each and increase the Authorised capital from ₹ 30 Crores to ₹ 40 Crores 3. Amendment of Articles of Association consequent to Sub-division of nominal value of shares and increase the Authorised capital from ₹ 30 Crores to ₹ 40 Crores. 4. To create, offer, issue and allot GDRs/ ADRs/ FCCBs/ Equity shares or such other securities or a combination of securities for a value of up to US\$ 100 million.
2008-2009	20 th September, 2008	Saturday	T. R. Puram, A. B. Road, Morena - 476 001, M.P.	4.00 p.m.	<ol style="list-style-type: none"> 1. Amendment of Memorandum of Association that Authorised Share Capital of the Company increased to ₹ 60,00,00,000. 2. Amendment of Articles of Association that Authorised Share Capital of the Company is ₹ 60,00,00,000. 3. Increasing in Number of Directors from 12 to 16.
2009-2010	30 th September, 2009	Wednesday	T. R. Puram, A. B. Road, Morena - 476 001, M.P.		<ol style="list-style-type: none"> 1. Amendment of Articles of Association that substitution of various articles by introduction.
II. Extra Ordinary General Meeting					
2007-08	8 th August, 2007	Wednesday	Jiwaji Ganj, Morena - 476 001, M.P. (Registered Office)	11.00 a.m.	<ol style="list-style-type: none"> 1. Preferential allotment of 21,58,236 Equity shares to investors. 2. Preferential allotment of 23,86,635 Warrants to Promoters. 3. Increase of investment limit of Foreign Institutional Investors. 4. Issue of Global Depository Receipt (GDR). 5. Issue of Foreign Currency Convertible Bonds (FCCBs).
	20 th October, 2007	Saturday	Jiwaji Ganj, Morena - 476 001, M.P. (Registered Office)	11.00 a.m.	<ol style="list-style-type: none"> 1. Alteration of Articles of Association. 2. Approval of ESOP of K S Oils Ltd.
2009-2010	17 th June, 2009	Wednesday	Factory Office, A.B. Road, Industrial Area, Morena - 476 001, M.P.	4.00 p.m.	<ol style="list-style-type: none"> 1. Preferential Allotment of 2,79,21,406 Equity Shares to NSR Direct PE Mauritius, LLC, Mauritius. 2. Preferential Allotment of 86,72,566 CVCI Warrants to CVCIGP II Client Rosehill Limited, Mauritius and CVCIGP II Employees Rosehill Limited, Mauritius. 3. Preferential Allotment of 86,72,566 Barring Warrants to Baring Private Equity Asia III Mauritius Holdings (3) Limited, Mauritius. 4. Preferential Allotment of 2,88,07,339 Promoter Warrants to Mrs. Sheela Devi Garg and Mrs. Meeta Garg together. 5. To Allot one or more tranches, for an amount not exceeding US\$ 15 million inclusive of premium.

General Shareholders Information

Registered Office: Jiwaji Ganj,
Morena - 476 001, Madhya Pradesh, India.
Phone: +91 7532 - 300000
Fax : +91 7532 - 300106 & 405060
E-mail: investors@ksoils.com
Website: www.ksoils.com

Annual General Meeting: Date: Thursday, the 30th Day of September, 2010
Time: 4.00 p.m.
Venue: K S Oils Ltd., A. B. Road, Morena, Madhya Pradesh - 476 001.

Financial Calendar (tentative)

Adoption of Quarterly Results Ended	In the Month of
30 th June, 2010	August, 2010 (1 st / 2 nd week)
30 th September, 2010	November, 2010 (1 st / 2 nd week)
31 st December, 2010	February, 2011 (1 st / 2 nd week)
31 st March, 2011 (Un-audited Annual Accounts)	May, 2011 (1 st / 2 nd week)

Date of Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2010 to 30th September, 2010 (both days inclusive).

Dividend

Dividend of @ 18% (₹ 0.18) per Equity Share will be paid subject to the approval by the Shareholders at the ensuing Annual General Meeting.

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

Name of Stock Exchange	Code/ Trading Symbol	ISIN
A. Equity Shares		
1. Bombay Stock Exchange Limited, (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	526209	INE727D01022
2. National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	KSOILS	INE727D01022
B. GDRs		
Singapore Exchange Limited, Singapore	K.S.OILS LIMITED GDR	US48269C1080

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

Registrar and Share Transfer Agent

Ankit Consultancy Pvt. Ltd.

2nd Floor, Alankar Point, 4 A Rajgarh Kothi,

Gita Bhawan Chouraha, A.B. Road, Indore, 452 001 Madhya Pradesh, India.

Tel: +91 731 - 2491298, 2495226;

Fax: +91 731 4065798

E-mail: ankitind@sancharnet.in

Time: 10.00 a.m. to 6.00 p.m.

Share Transfer System

Share transfers in physical form are registered by the Registrars and returned to the respective transferee within a period of 15 (fifteen) days, provided the documents lodged with the Registrars/Company are clear in all respects. In case of shares in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a practicing Company Secretary audits the system of transfer and a Certificate to that effect is issued.

Market Price Data

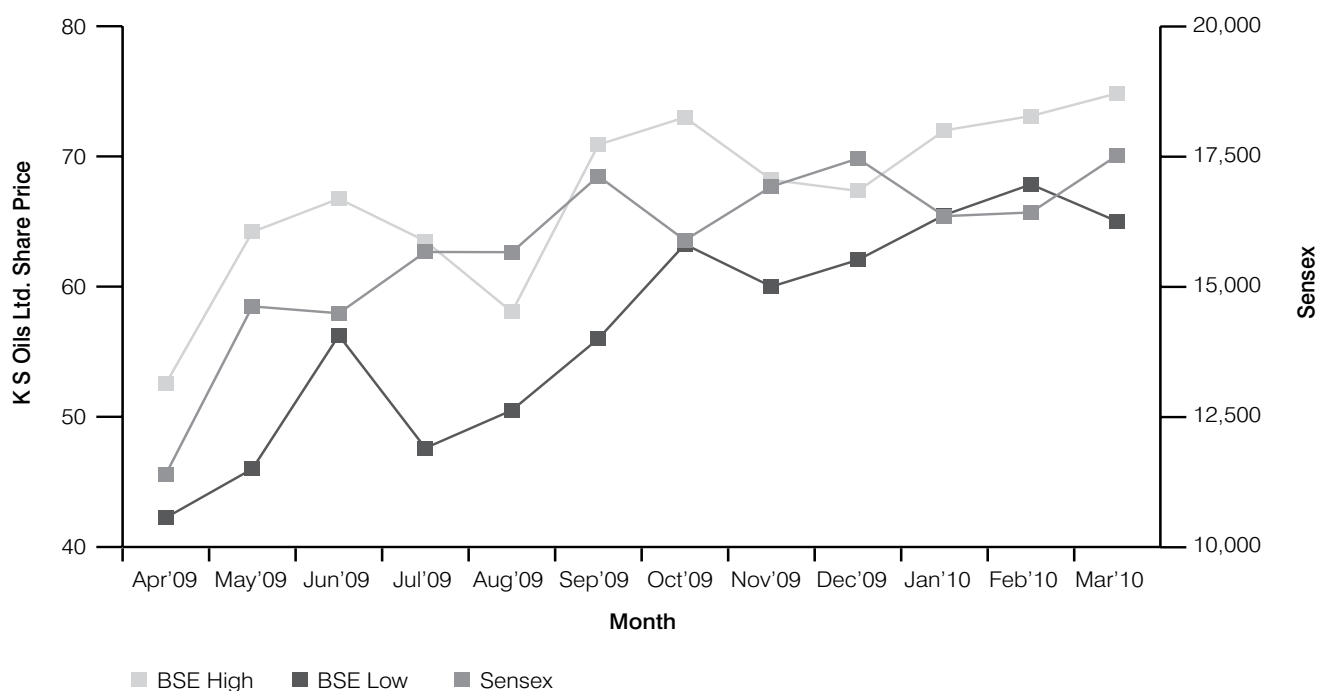
Monthly Highs and Lows for FY 2009-2010 at BSE and NSE

Month	BSE		NSE		BSE Sensex (Close)
	High	Low	High	Low	
April	52.55	42.25	52.50	42.20	11,403.25
May	64.20	46.00	64.30	46.00	14,625.25
June	66.75	56.25	66.75	56.30	14,493.84
July	63.50	47.60	60.50	47.10	15,670.31
August	58.05	50.50	58.75	50.00	15,666.64
September	70.90	56.00	71.00	56.25	17,126.84
October	73.00	63.25	72.20	60.70	15,896.28
November	68.20	60.00	67.35	60.60	16,926.22
December	67.35	62.05	67.20	62.05	17,464.81
January	72.00	65.50	76.65	68.30	16,357.96
February	73.10	67.85	72.90	65.55	16,429.55
March	74.85	65.00	74.70	65.95	17,527.77

Source: BSE and NSE websites

The closing market price per equity share on 3rd September, 2010 is ₹ 48.85 on BSE and ₹ 49.00 on NSE.

K S Oils Shares Price versus the BSE Sensex.



Distribution of Shareholding as on 31st March, 2010

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares Held	Percentage of Shareholding
Up to 1,000	35,810	89.80	73,26,322	1.79
1,001 - 2,000	2,463	6.18	44,16,067	1.08
2,001 - 3,000	435	1.09	11,51,612	0.28
3,001 - 4,000	251	0.63	9,42,877	0.23
4,001 - 5,000	211	0.53	10,14,590	0.25
5,001 - 10,000	367	0.92	28,26,736	0.69
10,001 - 20,000	126	0.32	18,63,330	0.46
20,001 - 30,000	52	0.13	13,55,347	0.33
30,001 - 40,000	23	0.06	8,05,787	0.20
40,001 - 50,000	15	0.04	7,18,538	0.18
50,001 - 1,00,000	32	0.08	23,24,118	0.57
1,00,001 - And Above	91	0.23	38,42,06,094	93.95
Total	39,876	100.00	40,89,51,418	100.00

Shareholding Pattern as on 31st March, 2010

Category code	Category of Shareholder	No. of Shareholders	No. of Shares held	% of Share Capital
(A)	Share Holding of Promoter and Promoter Group			
	(1) Indian Promoters	17	14,85,43,480	36.32
	(2) Foreign promoters	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2)	17	14,85,43,480	36.32
(B)	Public Share Holding			
(1)	Institutions			
	(a) Mutual Funds and UTI	10	82,92,300	2.03
	(b) Financial Institutions and Bank	6	18,02,221	0.44
	(c) Central Government / State Government(s)	-	-	-
	(d) Insurance Companies, Foreign Venture Capital Investors	-	-	-
	(e) Foreign Institutional Investors	50	7,55,09,229	18.46
	(f) Any other (Specify)	-	-	-
	Sub-Total (B)(1)	66	8,56,03,750	20.93
(2)	Non-Institutions			
	(a) Bodies Corporate	904	66,94,680	1.64
	(b) Individuals	-	-	-
	i. Individuals shareholders holding nominal shares capital up to ` 1 Lac.	38,169	1,58,87,173	3.88
	ii. Individuals shareholders holding nominal shares capital in excess of ` 1 Lac.	169	1,89,98,031	4.65
	(c) Any Other –			
	i. NRIs/ OCBs	449	7,07,64,536	17.30
	ii. Clearing Member	101	2,12,538	0.05
	Sub-Total (B)(2)	39,792	11,25,56,958	27.52
	Total Public Shareholdings (B) = (B)(1)+(B)(2)	39,858	19,81,60,708	48.45
	Total (A)+(B)	39,875	34,67,04,188	84.77
(C)	Shares held by custodians and against which depository receipts have been issued	1	6,22,47,230	15.22
	Grand Total (A)+(B)+(C)	39,876	40,89,51,418	100

Dematerialization of Shares

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

Status of De-materialization as on 31st March, 2010

No. of Shares Dematerialized	36,57,30,910	89.43% of the total share capital
No. of Shareholders in Demat form	38,878	97.50% of the total no. of shareholders

Plant Location of the Company

The Company has manufacturing facilities at-

1. A. B. Road, Industrial Area,
Morena - 476 001, Madhya Pradesh.
2. Village Khara Kheri, Mahoo Road,
Ratlam - 457 001, Madhya Pradesh.
3. Village Silawati (Opp. Vandana Hotel)
A. B. Road Guna District,
Guna - 473 001, Madhya Pradesh.
4. Village Tather, Baran Road, Tehsil Lalpura,
Kota, Rajasthan.
5. J.L. No.-149, Debhog
HPL Link Road, District Purba, Haldia,
Medinipur - 721 657,
West Bengal, India.

Address for Correspondence

Shareholders are requested to contact:

Mr. Naveen Jain

GM - Legal & Company Secretary , K S Oils Limited,
Jiwaji Ganj, Morena - 476 001,
Madhya Pradesh, India.

Tel: +91 7532 - 300000

Fax: +91 7532 - 300106 & 405060

E-mail: investors@ksoils.com

Website: www.ksoils.com

Outstanding GDRs/ Warrants and Convertible Bonds, GDRs

As on 31st March, 2010, total outstanding GDRs was 62,24,723 representing 6,22,47,230 underlying Equity shares constituting 15.22% of the paid-up capital of the Company. Each GDR represents 10 underlying equity shares in the Company. GDR is not a specified time-bound instrument and can be surrendered at any time and converted into underlying Equity shares in the Company. The shares so released in favour of the Investor upon surrender of GDRs can either be held by the Investor concerned in their own name, or sold off in the Indian secondary market for cash.

5. CEO/ CFO CERTIFICATION

A Certificate from the Managing Director and Chief Financial Officer on the financial statements of the Company was placed before the Board and is annexed with this report.

Statutory Compliance, Penalties and Strictures

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges, as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance on any matter related to the capital markets during the last three years.

6. REPORT ON CORPORATE GOVERNANCE

The Company had submitted its quarterly Compliance report to the Stock Exchanges within 45 days from the closure of the quarter, as per the format prescribed in annexure IB of the regulations. The report was signed by the Compliance Officer of the Company.

7. COMPLIANCE

A. The Company had obtained a Certificate from the Company Secretary in Practice, regarding compliance of Conditions of Corporate Governance as stipulated and annexed the certificate the Director Report, which is sent annually to all the shareholders of the Company. The same certificate shall also be sent to the Stock Exchanges along with the Annual Report filed by the Company.

The Company had complied with the mandatory requirements as stipulated under Clause 49 of the listing agreements.

B. NON-MANDATORY REQUIREMENTS

The Company had adopted the non-mandatory requirements as regards to the provisions of setting up of the Remuneration Committee and complying with various requirements stated thereto. The Company is establishing systems to move towards a regime of unqualified financial statements. The unaudited financial results are published and are available on website of the Company. Whenever shareholders ask for a copy of results, the same is furnished to them. As regards other non-mandatory requirements, the Board has taken cognizance of the same and may consider adopting the same as when deemed appropriate.

Going Concern

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

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

Place: New Delhi

Date: 4th September, 2010

Ramesh Chand Garg
Chairman

CEO/ CFO CERTIFICATION

To The Board of Directors,
K S Oils Limited

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 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.

For K S Oils Limited

Sd/-
Sanjay Agarwal
Managing Director

Place: New Delhi

Date: 4th September, 2010

For K S Oils Limited

Sd/-
Sandeep Taori
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No. of the Company: L15141MP1985PLC003171

Nominal Capital: ₹ 60 Crores.

The Members

K S Oils Limited

We have examined relevant records of K S Oils Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges, for the financial year ended 31st March, 2010. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof adopted by the company for ensuring compliance of the conditions of the Corporate Governance.

In our opinion and to the best of our information and on the basis of our examination of the records produced, explanations and information furnished, we certify that the -

- (a) Company has complied with in respect of mandatory conditions of the Clause 49 of the Listing Agreement.
- (b) In respect of complying of non-mandatory conditions of the Clause 49 of the Listing Agreement, Company has set up Remuneration Committee and complying with various requirements stated thereto. As regards other non-mandatory requirements, the Board has taken cognizance of the same and may consider adopting the same as when deemed appropriate.

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

For and on behalf of
Swaran Jain & Associates
Company Secretaries

Swaran Kumar Jain
Proprietor
FCS 3236 CP 4906

Place: New Delhi

Date: 4th September, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

Performance of K S Oils in Financial Year 2009-10

The year 2009-10 has been very productive in terms of business growth and profitability. K S Oils crossed the ₹ 4,000 Crores turnover mark registering sustainable growth for the past five years. The Company posted sales of ₹ 4,027 Crores a growth of 28% over last year ₹ 3,147 Crores and profit after tax recorded 33% growth at ₹ 224 Crores this year compare to ₹ 169 Crores in the previous year. Its flagship brands Kalash and Double Sher have performed exceptionally well among consumers.

The Company continued to strengthen its position in sourcing raw materials, capturing value in supply chain and logistics, enhancing manufacturing capabilities and increasing sales of branded products in retail stores. Today, nearly 60% of the Company's sales come from the branded segment and retail sales are also significantly increasing in proportion.

Industry Structure and Developments

FMCG-led food items will be a key area of growth in the Indian market-place as the country's standard of living increases. Within health and food items, the branded segment will register the maximum growth as consumers readily pay a premium for quality, purity and safety. Today, the total edible oil market is pegged at ₹ 750 Billion (US \$ 16 Billion) but only ₹ 187.50 Billion (US \$4 Billion) or 25% comprise branded sales. With the Indian edible oil market moving towards branded offerings, organized players like K S will benefit from this gap. This move will also see marginalization of unorganized players and consolidation among the organized players. India's per capita consumption of edible oil has improved to 15 kg/ per year in 2010 but is still significantly lower than the world average of 24 kg/ per year. The sector will ride upon this opportunity with branded organized players having a significant advantage due to the informed consumer demanding quality, purity and taste, which is offered by branded products.

Building Brands, Building India

As a company, K S Oils, during the year invested in creating a consumer brand portfolio which will serve the consumer across price points and taste in the three edible oil segments, namely, mustard oil, soyabean oil and refined palm oil. While K S Oils is a leader in the branded mustard oil segment, the Company is focused on extending its brand portfolio across other segments. During the year, a new brand "Kalash Refined Soyabean" Oil was launched with an aim to capture leadership in the soyabean edible oil segment. We have taken a conscious decision to grow "Kalash" as the umbrella or portfolio brand for all our premium offerings while "Double Sher" will be the mass market brand. Our current spends in branding and marketing are at around ₹ 10 Crores.

We identified local customs, festivals and traditions across India and planned our on ground marketing and brand building initiatives around these events. We continue to advertise at the local level in a strategic way to build better consumer recall. We are using high-visibility low- cost advertising mediums like outdoors, bus shelters and bus bodies, etc. to advertise in local languages as per local demand to create a real connect with the consumer.

During the year, we re-affirmed our market leadership position across Central, Northern and Eastern markets. We also saw a determined rise in demand for our products in newer markets like Western India. Our sales and marketing team is over 150 people strong at an all-India level and with our distributors, we have a total sales strength of over 1,500 people in the market-place. Our initiative to develop retail focused FMCG network of distributors, organized retail chains

and retail level 'kirana' shops is bearing fruit this year, by partnering with C & F agents and distributors who already have experience in FMCG goods. At the organized retail and modern trade level, our relationships with leading players are based on increased trust and consumer needs. Our urban customers are being serviced through modern retail store formats and today, we share significant shelf space in the edible oil category in these shops; Our products are available at retail outlets like Big Bazaar (Future Group), More (Aditya Birla Group), Spencers (RPG Group) and Reliance Retail. Also, for every urban center with a population of over 500,000, we are present in all retail and kirana stores.

Production and R & D

Our five state-of-the-art manufacturing plants are among the best in technology, design and efficiency parameters among India's edible oil players. Our mechanized plants have stringent quality and hygiene parameters as per international manufacturing standards, thus ensuring the best products reaches the consumer.

Our R & D team has continued its close association with farmers to research and develop seeds that give a high yield. This initiative has helped K S Oils to increase the supply of raw materials as well as productivity to keep pace with the growing demand. The Company has also continued to develop best agri-practices to meet the customers' desire for sustainably sourced products, through tie-ups with leading academic associations.

SWOT Analysis

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

Our business sector is vulnerable to certain external factors that are often nature related or driven by international developments. Thus, we are dependent on weather and monsoons for our oilseeds crop and international petroleum crude prices determine our raw material purchase for palm and other edible oils. Freight and transportation costs is another challenge; increase in these costs can affect the time and supply of raw materials to our plants and of the finished products to the market. Overcoming these factors will be the key to ensuring sustained growth in the future.

The biggest opportunity is the consolidation that is taking place in the edible oil industry; as leaders and organized players, we are set to gain most from this consolidation. The retail led demand and higher consumer spending and buying power is a trend that will help branded players like us in getting premium price of our products by delivering superior quality. The trend of palm oil consumption increasing in India is a sign that we are entering palm production at the right time. Favourable government policies will ensure that the organized edible oil industry grows significantly.

We face threats from competition who are gearing up to enter this sector and/ or current players raising capacity because of the attractiveness of this sector. A macro threat is that of vegetable oil seeds being diverted for non-food production like bio-fuel and other alternate energy. Rising crude oil prices and volatility in international prices are the other sources of concern.

Segment-wise Performance

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

Solvent - Seed/ Solvent extraction, crude Mustard oil, Refined oils and Deoiled cake

Vanaspati - Vanaspati Ghee

Power - Power Generation (wind mills)

The detailed performance segment-wise is given in Schedule 21 to the audited accounts of the Company provided in the Annual Report.

Outlook for K S Oils

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

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

The Company plans to become a leading FMCG led edible oil companies and the fastest growing agri-food company in Asia by continuing to build agricultural scales to bring down our cost inputs and raw material.

Risks and Concerns

Macro economic and global issues like inflation, recession, political and social upheavals, in adequate or excessive rainfall, acts of God and nature will have an effect on the industry as a whole. The Company's key raw material input of mustard seed and other edible oils are agriculture produce and procured from domestic and international markets at competitive prices. These prices vary on factors like good monsoons, weather conditions, demand and supply scenario, foreign exchange fluctuations and government policy both at domestic and international level.

Along with the above, the Company and other industry players are exposed to foreign exchanges losses because of crude edible oil imports and rapeseed DOC and soyabean meal exports. The commodity risks are not significant considering the normal co-relation in the price of the raw material and finished goods. The Company adopts continuous risk-monitoring system and hedges its future foreign exchange risks.

Internal Control Systems and Their Adequacy

K S Oils has an established and comprehensive internal control mechanism and management structure in place across all its business functions which ensure that the assets of the Company are duly recorded at fair value as per standard accounting practices and safeguarded against all and any loss from unauthorized use or disposition.

Internal Control systems are implemented:

- To safeguard the Company's assets from loss or damage.
- To keep constant check on cost structure and process loss.
- To provide adequate financial and accounting controls and implement standard accounting standards.
- To maintain proper accounting record and statutory compliances.
- For the appropriate use of Company's funds.

The systematic implementation of Internal Control Systems and policies has resulted in the use of funds in the most efficient and appropriate manner. All this has been implemented in every area commencing from raw materials to finished products.

Discussion on Financial Performance

The net sales grew by 28% to ₹ 4,027 Crores from ₹ 3,147 Crores in the previous year. The Company reported a net profit of ₹ 224 Crores as compared to ₹ 169 Crores in the previous year, an increase of 33%. The Company reported an EPS of ₹ 5.78 for the year ended 31st March, 2010 as compared to ₹ 4.94 in the previous year.

The Company's brands across mustard, soybean and refined palm edible oil are creating a pan-Indian footprint. Today, nearly 60% of the Company's sales come from the branded segment and retail sales are also significantly increasing in proportion. Our five state-of-the-art manufacturing plants became operational during the year and have started optimal production which will help us in meeting consumer demands in the future with the right quality and quantity, a key attribute of our brands. Raw material procurement remains one of our key strengths and during the year, we were able to implement several measures which helped us to save on costs and better on our quality.

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

K S Oils, realizes the challenges of recruitment, integration and retention faced by a new hiring environment. As a result, we have been following a 3R approach - Retain, Recruit and Rejuvenate, to make K S Oils an Employer of Choice. Today, K S Oils has approximately 3,000 employees working in four countries – India, Indonesia, Singapore and Malaysia. Thus, K S Oils, is creating a collaborative and innovation-driven work culture to attract, retain and develop the best talent in the industry.

Corporate Social Responsibility

K S Oils, believes that Corporate Social Responsibility (CSR) is all about long-term sustainability and is becoming an agent of change through the following initiatives:

- Khushali - a farmer outreach program that empowers farmers to get higher yield and covers land of at least 700 acres every year.
- Creating opportunities for inclusive growth by engaging local people from the Chambal ravines to join the mainstream through employment opportunities.
- Regularly associating with education programs of various institutes to bring about exchange of ideas among students and ensure a better and brighter future for India's children.

Cautionary Statement

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

AUDITOR'S REPORT

To

The Members of K S Oils Limited

1. We have audited the attached Balance Sheet of **K S OILS LIMITED** ('the Company') as at 31st March, 2010 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2010;
- b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s. BDO Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W

Chetan Desai

Partner

Membership No.17000

Place: Mumbai

Date: 4th September, 2010.

ANNEXURE TO AUDITOR'S REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of **K S Oils Limited** on the financial statements for the year ended 31st March, 2010]

- (ii) (a) The Company is in the process of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
-
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
-
- (iii) (a) The Company has granted loan to one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,649.05 Lacs and the year-end balance of loans granted to such parties was ₹ 1,649.05 Lacs.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
 - (c) The loans granted along with interest thereon are re-payable on demand. As informed, during the year the Company has not demanded repayment of any such loan along with interest thereon, thus, there has been no default on the part of the parties to whom the money has been lent.
 - (d) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
-
- (iv) In our opinion and according to the information and explanations given to us, the existing internal control procedures are required to be made adequate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
-
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public apply.
- (vii) In our opinion and according to the information and explanations given to us, the Company needs to strengthen its existing internal audit system so as to make it commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under section 209 (1) (d) of the Act in respect of Company's 'Vanaspati, Refined Vegetable Oils and Power Generation'. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records, and are of the opinion that prima facie, the prescribed accounts and records have not been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax and other material statutory dues, if any, applicable to it. However, for certain locations we are informed that the company is in the process of getting registration for employees' state insurance and hence the E.S.I.C. has not been deducted and deposited with the required authorities.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except for the dues in relation to sales tax and excise duty as disclosed hereunder:

Name of the Statute	Nature of the dues and period to which it relates	Amount (₹ in lacs)	Period	Forum where dispute is pending
Sales Tax Act	Sales Tax	10.74	1998-99	High Court
Sales Tax Act	Sales Tax	5.59	2003-04	Revenue Board
Sales Tax Act	Commercial Tax	3.24	2003-04	Revenue Board
Sales Tax Act	Commercial Tax	3.60	2007-08	Revenue Board
Sales Tax Act	Commercial Tax	130.56	2006-07	Deputy Commissioner Appeal, Gwalior
Sales Tax Act	Commercial Tax	12.54	2006-07	Deputy Commissioner Appeal, Gwalior
Sales Tax Act	Commercial Tax	40.54	2006-07	Deputy Commissioner Appeal, Gwalior
Central Excise Act	Excise duty	24.11	2001-02	High Court
Central Excise Act	Excise duty	2.55	2002-03	High Court
Income Tax Act	Income Tax	4.36	2006-07	Commissioner (Appeals)
Income Tax Act	Income Tax	14.76	2007-08	Commissioner (Appeals)

- (x) The company does not have any accumulated losses at the year end. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the records of the Company and according to the information and explanations provided to us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) 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/trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, while converting warrants allotted on a preferential basis during the earlier year, the Company has made allotments of equity shares to the parties listed in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company did not issue any debentures during the year.
- (xx) During the year the company has not raised any money through public issue.

(xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For M/s. BDO Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Chetan Desai
Partner
Membership No.17000

Place: Mumbai
Date: 4th September, 2010.

K S Oils Limited
BALANCE SHEET
as at 31st March, 2010

(₹ in Lacs)

	Schedule	As at 31 st March, 2010	As at 31 st March, 2009
Sources of Funds			
Shareholders' Funds			
Share Capital	1	4,090	3,563
Equity Share Entitlement Warrant		7,130	0
Reserves and Surplus	2	1,33,948	87,067
		1,45,168	90,630
Loan Funds			
Secured Loans	3	1,47,732	93,188
Deferred Tax Liability (Net)		9,986	10,516
Deferred Government Grant		81	87
Total		<u>3,02,967</u>	<u>1,94,421</u>
Application of Funds			
Fixed Assets	4		
Gross Block		1,17,378	69,203
Less: Accumulated Depreciation/ Amortisation		11,179	5,893
Net Block		1,06,199	63,310
Capital Work-in-Progress (Including Capital Advances)		7,866	35,347
		1,14,065	98,657
Investments	5	19,598	7,797
Current Assets, Loan and Advances			
Inventories	6	1,71,739	97,467
Sundry Debtors	7	23,098	12,079
Cash and Bank Balances	8	12,362	6,664
Other Current Assets	9	4,794	2,740
Loans and Advances	10	33,160	16,305
		2,45,153	1,35,255
Less: Current Liabilities and Provisions			
Current Liabilities	11	67,119	38,180
Provisions	12	8,730	9,108
		75,849	47,288
Net Current Assets		1,69,304	87,967
Total		<u>3,02,967</u>	<u>1,94,421</u>
Significant Accounting Policies and Notes to Accounts forming an integral part of the Balance Sheet.	21		

As per our attached report of even date

For M/s. BDO Haribhakti & Co.
Chartered Accountants

Chetan Desai
Partner

Place: Delhi
Date: 4th September, 2010

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

Ramesh Chand Garg
Chairman

Sanjay Agarwal
Managing Director

Naveen Jain
GM - Legal & Company Secretary

K S Oils Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31st March, 2010

(₹ in Lacs)

	Schedule	2009-10	2008-09
Income			
Sales	13		
Gross Sales		4,02,960	3,14,798
Less: Excise Duty		260	131
Net Sales		4,02,700	3,14,667
Other Operating Income	14	6,133	2,109
Other Income	15	1,136	1,039
Increase in Inventory	16	1,079	24,033
Total (A)		4,11,048	3,41,848
Expenditure			
Cost of Materials	17	3,35,616	2,80,273
Manufacturing, Administrative and Other Expenses	18	24,951	23,395
Personnel Expenses	19	2,879	1,976
Finance Cost	20	15,636	7,435
Depreciation/ Amortisation	4	5,292	2,678
Total (B)		3,84,374	315,757
Profit Before Tax (A-B)		26,674	26,091
Less: Provision for Taxation			
Income Tax		4,763	3,075
MAT Credit Entitlement		0	(406)
		4,763	2,669
Fringe Benefit Tax		0	43
Deferred Tax Adjustments		(530)	6,364
Tax for Earlier Years		0	79
Profit After Tax		22,441	16,936
Balance brought forward		29,561	15,460
Amount available for Appropriation		52,002	32,396
Less: Proposed Dividend		736	714
Less: Provision for Dividend Distribution Tax		122	121
Less: Transfer to General Reserve		2,000	2,000
Balance carried to Balance Sheet		49,144	29,561
Basic Earning Per Share (₹)		5.78	4.94
Diluted Earning Per Share (₹)		5.71	4.93
Nominal Value per share (₹)		1.00	1.00
(Refer Note 19 in Schedule 21)			
Significant Accounting Policies & Notes to Accounts forming an integral part of the Profit and Loss Account.	21		

As per our attached report of even date

For M/s. **BDO Haribhakti & Co.**
Chartered Accountants

Chetan Desai
Partner

Place: Delhi
Date: 4th September, 2010

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

Ramesh Chand Garg
Chairman

Sanjay Agarwal
Managing Director

Naveen Jain
GM - Legal & Company Secretary

CASH FLOW STATEMENTfor the year ended 31st March, 2010

(₹ in Lacs)

	2009-10	2008-09
Cash Flow from Operating Activities		
Net Profit for the Period (before tax)	26,674	26,091
Depreciation	5,291	2,678
Interest Received	(1,111)	(931)
Interest Cost	15,636	7,435
Depreciation on Government Grant	(6)	(6)
Provision for Doubtful Debts	392	9
Loss on Disinvestment of Subsidiary	0	103
Unrealised Exchange Rate Fluctuation (Gain)/ Loss	(1,981)	742
Profit on Sale of Fixed Assets	(1)	(1)
Taxes Paid	(4,015)	(3,286)
Adjustments		
(Increase)/ Decrease in Inventory	(74,272)	(53,330)
(Increase)/ Decrease in Trade Receivable	(11,391)	1,451
Increase/ (Decrease) in Trade Payable and Provisions	30,966	49,282
(Increase)/ Decrease in Other Receivables and Loans & Advances	(20,185)	2,411
Net Cash Flow from Operating Activities: [A]	<u>(34,003)</u>	<u>32,648</u>
Cash Flow from Investing Activities		
Purchase of the Fixed Assets	(48,182)	(40,193)
Sale of Fixed Assets	2	10
(Increase)/Decrease in Capital WIP	27,482	(16,978)
Investment In Subsidiaries	(11,801)	(6,052)
Loan to Subsidiaries	(169)	(53)
Interest Received	1,111	931
Net Cash Flow from Investing Activities: [B]	<u>(31,557)</u>	<u>(62,335)</u>
Cash Flow from Financing Activities		
Proceeds from Issuance of Share Warrant	33,010	4,972
Proceeds from Long Term Borrowings (Secured Loans)	54,597	24,573
Dividend Paid	(714)	(598)
Interest Paid	(15,636)	(7,560)
Net Cash Flow from Financing Activities: [C]	<u>71,257</u>	<u>21,387</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents: [A+B+C]	5,698	(8,300)
Opening Balance of Cash and Cash Equivalents	6,664	14,964
Closing Balance of Cash and Cash Equivalents	<u>12,362</u>	<u>6,664</u>
Notes:		
Cash and Cash Equivalent Includes:		
Cash in Hand	199	242
Balance with Scheduled Banks		
In Current Accounts	2,168	2,212
In Fixed Deposit Accounts	9,947	4,165
In Unclaimed Dividend Account	24	21
Balance with Unscheduled Banks	24	24

As per our attached report of even date

For and on behalf of the Board of Directors of
K S Oils LimitedFor M/s. BDO Haribhakti & Co.
Chartered AccountantsChetan Desai
PartnerRamesh Chand Garg
ChairmanSanjay Agarwal
Managing DirectorPlace: Delhi
Date: 4th September, 2010Naveen Jain
GM - Legal & Company Secretary

SCHEDULES

forming part of the Financial Statements

(₹ in Lacs)

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 1		
Share Capital		
Authorised		
Equity Share Capital 60,00,00,000 Equity Share of ₹ 1/- each (Previous year 60,00,00,000 Equity Shares of ₹ 1/- each)	6,000	6,000
	<u>6,000</u>	<u>6,000</u>
Issued, Subscribed and Paid-up		
40,89,51,418, Equity Shares of ₹ 1/- each (Previous Year 35,62,74,490* equity Shares of ₹ 1/- each)* Includes 9,40,00,000 Bonus Shares of ₹ 1/- each issued during FY 06-07 by capitalisation of Security Premium and General Reserve	4,090	3,563
	<u>4,090</u>	<u>3,563</u>
SCHEDULE 2		
Reserves and Surplus		
Capital Reserve		
	17	17
Security Premium Account		
Opening Balance	52,684	42,950
Add: Premium Received During the Period	25,735	9,761
	<u>78,419</u>	<u>52,711</u>
Less: GDR issue expenses	381	28
	<u>78,038</u>	<u>52,683</u>
General Reserves		
Opening Balance		
	4,578	2,578
Add: Transfer from Profit and Loss account during the year	2,000	2,000
	<u>6,578</u>	<u>4,578</u>
Balance as per Profit and Loss Accounts Annexed		
Opening Balance	29,561	15,460
Add: Profit for the period	19,582	14,101
	<u>49,143</u>	<u>29,561</u>
Foreign Currency Translation Reserve		
	172	228
	<u>1,33,948</u>	<u>87,067</u>
SCHEDULE 3		
Secured Loans		
From Banks		
On Term Loan Account		
Secured by first charge on fixed assets of the Company except wind turbine generators and Haldia Plant and second <i>pari-pasu</i> charge on entire current assets of the Company	11,487	10,275
Secured by exclusive charge on Haldia Plant of the Company.	5,850	7,200
Secured by exclusive charge on wind turbine generators of the Company	24,285	15,408
	<u>41,622</u>	<u>32,883</u>
Interest on term loan accrued and due	381	34
On Working Capital Account		
Secured by first <i>pari-pasu</i> charge on entire current assets of the Company and second <i>pari-pasu</i> charge on fixed assets of the Company except wind turbine generators and Haldia Plant	1,05,728	60,271
	<u>1,47,732</u>	<u>93,188</u>

SCHEDULES

forming part of the Financial Statements

SCHEDULE 4 Fixed Assets and Depreciation/ Amortisation Chart

(₹ in Lacs)

Description of Assets	Gross Block			Depreciation/ Amortisation			Net Block	
	As on 1 st April, 2009	Addition during the year	Sales during the year	As on 1 st April, 2009	Addition during the year	Sales during the year	Total as on 31 st March, 2010	As on 1 st April, 2009
Windmills	31,000	10,849	0	1,513	2,053	0	3,566	29,487
Land Freehold	1,784	127	0	0	0	0	1,911	1,784
Land Leasehold	202	81	0	14	9	0	23	188
Building	8,280	9,875	0	705	479	0	1,184	7,575
Plant and Machinery	18,997	20,868	2	2,119	1,903	1	4,021	16,878
Electric Installation	3,207	5,661	0	430	361	0	791	2,777
Vehicle	496	71	5	178	90	5	263	318
Furniture and Fixture	557	267	0	179	99	0	278	378
Office Equipment	1,247	273	0	392	218	0	610	855
Utilities	3,296	91	0	325	41	0	366	2,971
Computer Software	36	19	0	36	19	0	55	0
Goodwill	101	0	0	2	20	0	22	99
Grand Total	69,203	48,182	7	5,893	5,292	6	11,179	63,310
Previous year	29,047	40,193	37	3,244	2,678	29	5,893	-

Note:

1) Capital Work-In-Progress (Excluding advances for Capital Goods)	As at 31 st March, 2010	As at 31 st March, 2009
Windmills	0	2,924
Building	1,212	602
Plant and Machinery	2,120	27,150
Furniture and Fixture	0	202
Electric Installation	14	37
Computer Software	16	213
Railway Side	554	0
Miscellaneous WIP	42	0

2) In respect of certain leasehold land, amount has been capitalised on the basis of comfort letter received from vendors.

SCHEDULES

forming part of the Financial Statements

(₹ in Lacs)

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 5		
Investment		
Long-term (unquoted in subsidiary company)		
K S Natural Resources Pte. Ltd. Singapore (Current Year 6,04,87,905 Previous Year 2,53,48,910 shares @ SGD 1/- each fully paid-up)	19,598	7,797
Total	<u>19,598</u>	<u>7,797</u>
SCHEDULE 6		
Inventories		
(as taken, valued and certified by the management)		
Raw materials	133,823	61,553
Work-in-Progress	1,290	522
Finished goods	32,148	33,657
Stores and spares	856	701
Packing materials	3,040	930
By-products	582	104
Total	<u>171,739</u>	<u>97,467</u>
SCHEDULE 7		
Sundry Debtors		
(Unsecured and considered good, unless otherwise stated)		
Outstanding for more than six months	949	147
Other debts	22,540	11,955
	23,489	12,102
Less: Provision for doubtful debts	391	23
Total	<u>23,098</u>	<u>12,079</u>
SCHEDULE 8		
Cash and Bank Balances		
Cash in hand (as certified by the management)	199	242
Balance with Scheduled banks		
In Current Accounts	2,168	2,212
In fixed deposit accounts	9,947	4,165
In unclaimed dividend account	24	20
Balance with Banks other than Scheduled Banks		
In Current Accounts		
Vyavaik Evam Adhyogik Sahkari Bank Ltd. (Maximum balance during Current Year ₹ 45,76,642, Previous Year ₹ 1,18,71,211)	21	21
City Bank N.A. London (Maximum balance during Current Year ₹ 60,99,65,137, Previous Year ₹ 3,32,699)	3	3
Total	<u>12,362</u>	<u>6,664</u>
SCHEDULE 9		
Other Current Assets		
Sales tax refund receivable	3,076	1,609
Export benefit receivable	146	555
Interest Receivable	403	213
Other Current Assets	1,169	363
Total	<u>4,794</u>	<u>2,740</u>

SCHEDULES

forming part of the Financial Statements

(₹ in Lacs)

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 10		
Loans and Advances		
(Unsecured and considered goods, unless otherwise stated)		
Advances receivable in cash or in kind or for value to be received	22,642	5,400
Less: Provision for doubtful advances	15	0
	22,627	5,400
Loans to subsidiaries	1,649	1535
Advance Tax	6,156	7,531
MAT credit entitlement	406	406
Input VAT credit receivable	1,896	843
Balance with Excise (PLA)	8	23
Other deposits/ advances	418	567
Total	33,160	16,305
SCHEDULE 11		
Current Liabilities		
Sundry Creditors		
MSME	179	19
Others	62,560	36,274
Unclaimed dividend *	24	20
*(Amount due and outstanding to be credited to Investor Education and Protection Fund: Current Year ₹ Nil, Previous Year ₹ Nil)		
Bank balance	110	204
Security deposit from customers	95	70
Advances from customers	846	179
Other Liabilities	3,305	1,414
Total	67,119	38,180
SCHEDULE 12		
Provisions		
Provision for Tax	7,746	8,150
Provision for Excise Duty	18	6
Proposed Dividend	736	714
Provision for Dividend Distribution Tax	122	223
Provision for Employee Benefits	108	15
Total	8,730	9,108

SCHEDULES

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(₹ in Lacs)

	2009-10	2008-09
SCHEDULE 13		
Sales		
Domestic sales (including high seas sales)	3,46,370	2,80,917
Export sales	14,920	21,894
Sales against 'H' Form	41,670	11,987
	4,02,960	3,14,798
Less: Excise Duty	260	131
Total	4,02,700	3,14,667
SCHEDULE 14		
Other Operating Income		
Exchange rate difference	2,503	0
Government subsidy	1,591	6
Income from commodity hedging	635	487
Windmill Claims	611	0
Miscellaneous income	311	15
Export incentive	226	1,276
Agriculture income	209	200
Income from Carbon Credit sales	47	0
Sales tax refund	0	118
Bad debts recovered	0	7
Total	6,133	2,109
SCHEDULE 15		
Other Income		
Interest Received		
From subsidiaries (withholding tax deducted at source Current Year ₹ 19,81,045/-, Previous Year ₹ 17,07,054/-)	189	162
From others (on banks, security deposits, income tax refund etc.) (Tax deducted at source Current Year ₹ 104,25,027/-, Previous Year ₹ 1,59,93,826/-)	922	769
Miscellaneous Income	25	108
Total	1,136	1,039
SCHEDULE 16		
Increase in inventory		
Closing Stock		
Finished goods	32,148	33,657
By-products	582	104
Packing materials	3,040	930
Total Closing Stock (A)	35,770	34,691
Opening Stock		
Finished goods	33,657	10,274
By-products	104	106
Packing materials	930	278
Total Opening Stock (B)	34,691	10,658
Total Increase in Inventory (A-B)	1,079	24,033
SCHEDULE 17		
Cost of material		
Material cost and inventory adjustment		
Opening Stock	62,075	32,979
Add: Purchase (including trading goods)	4,08,653	3,09,369
Total	4,70,728	3,42,348
Less: Closing Stock	1,35,112	62,075
Total	3,35,616	2,80,273

SCHEDULES

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(₹ in Lacs)

	2009-10	2008-09
SCHEDULE 18		
Manufacturing, Administrative and Other Expenses		
Power and fuel	4,673	3,079
Wages	727	551
Other manufacturing expenses	2,566	1,868
Stores and spares consumed	613	314
Repairs and maintenance		
- Plant and Machinery	445	774
- Building	175	166
- Others	173	238
Transportation, loading and unloading	5,673	4,725
Packing materials	87	68
Selling and distribution expenses	1,471	1,556
Advertisement and sales promotion	1,014	927
Commission on sales	373	396
Discount on sales	307	40
Provision for doubtful debts	392	9
Insurance	337	381
Exchange rate difference	0	4,782
Financial expenses	1,171	1,124
Miscellaneous expenses	745	558
Consultancy, legal and professional charges	556	463
Rates and Taxes	625	459
Travelling and conveyance	406	345
Rent	1,207	286
Loss on disinvestment of subsidiaries	0	104
Wind mill expenses	497	47
Charity and donation (Non-political)	13	25
Premium on forward cover	377	9
Wealth Tax	3	3
Carbon Credit Expenses	56	0
Agriculture Expense	80	98
Software Expense	189	0
Total	24,951	23,395
SCHEDULE 19		
Personnel Expenses		
Salary, wages and bonus	2,145	1,474
Directors remuneration and sitting fees	170	180
Contribution to Gratuity	107	56
Contribution to provident fund and others	72	45
Staff welfare expenses	235	128
Others	151	93
Total	2,880	1,976
SCHEDULE 20		
Finance Cost		
Interest on term loans	4,360	1,551
Interest on working capital loans	9,000	4,626
Interest to others	2,276	1,258
Total	15,636	7,435

SCHEDULES

forming part of the Financial Statements

SCHEDULE 21

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Use of Estimates

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

3. Revenue Recognition

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

4. Inventories

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

5. Agricultural Activity

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

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6. Commodity Hedging (Derivatives)

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

7. Certified Emission Reductions

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

8. Fixed Assets

a) Tangible Assets

- i. Tangible assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of fixed assets which takes substantial period of time to get ready for their intended use is capitalized.
- ii. Advances paid towards the acquisition of the fixed assets outstanding at each balance sheet date are disclosed under capital work-in-progress.

b) Intangible Assets

Intangible Assets are recorded at the consideration paid for the acquisition.

9. Depreciation/ Amortization

a) Depreciation:

- i. Depreciation has been charged on SLM basis for:
 1. Windmill
 2. Plant assets (except for oil and refinery plant located at Morena)
- ii. For all other assets depreciation is provided on WDV basis.
- iii. Depreciation is provided at the rates and in the manner specified under Schedule XIV of the Companies Act, 1956.
- iv. Depreciation is calculated on a pro-rata basis from the date of installation/acquisition till the date the assets are sold or disposed.
- v. Individual assets costing less than ₹ 5,000.00 are depreciated fully in the year of acquisition.

b) Amortization:

- i. Leasehold assets are amortized over the period of lease.

SCHEDULES

forming part of the Financial Statements

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

10. Foreign Currency Transactions

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

11. Employee Benefits

a) Short-term Employee Benefits

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

b) Post Employment Benefits

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

c) Other Long-Term Employees Benefits

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

12. Investments

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

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13. Taxation

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

a) Current Tax

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

b) Minimum Alternate Tax (MAT)

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

c) Deferred Tax

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

14. Government Grant

a) Capital Grant

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

b) Revenue Grant

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

15. Borrowing Cost

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

16. Employee Stock Option

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

SCHEDULES/ NOTES

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17. Impairment of Assets

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

18. Provisions and Contingent Liabilities

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

B. NOTES TO ACCOUNTS

1. Commitments and Contingent Liabilities

Particulars	₹ in Lacs	
	As at 31 st March, 2010	As at 31 st March, 2009
(I) Claims against the company not acknowledged as debts in respect of		
(a) Excise and custom duty matters under dispute	48.46	48.46
(b) Commercial Taxes matter under dispute	237.35	32.31
(c) Income Tax	19.11	4.35
(II) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	3,694.50	6,575.98
(III) Bank/ Corporate Guarantee	8,012.76	255.26
(IV) Export Promotion against Capital Goods.	283.24	15.78

Note:

An amount of ₹ 52.35 Lacs and ₹ 30.95 Lacs is deposited as appeal advance as on 31st March, 2010 and 31st March, 2009 respectively against Excise and Customs matters and Sales tax matters.

2. Fixed Deposits Under Lien

Particulars	₹ in Lacs	
	As at 31 st March, 2010	As at 31 st March, 2009
Fixed deposits under lien with bank for Bank Guarantees, Letter of Credit and Others	9,947.06	1,915.00

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3. Preferential Issues of Equity Shares and Warrants

- a) In order to meet the fund requirement of the Company for its (i) Expansion of refinery in India along with other allied expenditure (ii) Investment in its overseas subsidiaries for development of Greenfield palm plantations and acquisition of mature palm plantations and/or CPO mills, all in Indonesia. The Company has come out with preferential allotment of Equity Shares and Warrants to the promoters and other foreign Investors during the year at an issue price calculated under SEBI (DIP) Guidelines, 2000 on preferential basis duly approved by Shareholders and Board of Directors of the Company.
- b) During the year Company has allotted 2,79,21,406 Equity Shares of ₹ 1/- each at a premium of ₹ 47.43/- each to NSR Direct PE Mauritius, LLC and raised ₹ 13,522.30 Lacs.
- c) On 5th September, 2009 the Company has allotted 86,72,566 Warrants to Baring Private Equity Asia III Mauritius Holdings (3) Limited of ₹ 1/- each at premium of ₹ 55.50/- per Warrant and receive 25% of the Issue price and raised ₹ 1,225.43 Lacs.
- d) On 5th September, 2009 the Company has allotted 86,72,566 Warrants to:-
 1. CVCIGP II Client Rosehill Limited - 55,59,115.
 2. CVCIGP II Employee Rosehill Limited - 31,13,451of ₹ 1/- each at premium of ₹ 55.50/- per Warrant upon receipt of 25% of the Issue price and raised ₹ 1,225.43 Lacs.
- e) During the year the Company has allotted 2,88,07,339 warrants to promoter of ₹ 1/- each at a premium of ₹ 53.50/- each on receipt of ₹ 3,926.00 Lacs towards 25% of issue price. Further on 29th January, 2010, Company has allotted 1,23,46,002 equity shares of ₹ 1/- each to promoters upon conversion of 1,23,46,002 promoters warrants on receipts of ₹ 5,046.00 Lacs towards balance 75% of issue price. The Company had also received an additional amount of ₹ 2,454.00 Lacs which has been appropriated towards exercise price of promoter warrants pending for allotment.
- f) The entire proceeds have been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries except having ₹ 7,537.17 Lacs which were in the shape of Fixed Deposit Receipts at the end of the year.

4. GDR Issue

- a) The Company has also come out with GDR Issue during July, 2009 to meet its requirement of expenditure for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries. These overseas subsidiaries shall use these amounts for development of Greenfield palm plantations and acquisition of matured palm plantations and/or CPO mills, all in Indonesia. The Company has issued 12,40,952 GDRs on 15th July, 2009 to foreign investors and raised ₹ 6,008.35 Lacs (US\$ 123.40 Lacs). The GDRs are listed with Singapore Stock Exchange and each GDR is entitled to be converted into 10 Equity Shares of ₹ 1/- each.
- b) Out of the amount raised by the Company through GDR Issue during financial year 2009-10, the entire proceed has been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries.

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5. Share Issue Expenses

To be in conformity with Accounting Standards-26 on "Intangible Assets" and as per provision of Section 78 of Companies Act, 1956, "Share issue expenses" (Including GDR/ Private Equity issue expenses) amounting to ₹ 380.69 Lacs (Previous year - ₹ 27.57 Lacs) are charged off against Security Premium Account.

6. Agricultural Activity

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

7. Derivatives

a) Derivative Instruments

The following are the outstanding hedge contracts:

i. Forward Contracts

The year end foreign currency exposures that have been hedged by derivative instruments or otherwise are given below:

Particulars	Currency	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount in Foreign Currency	(₹ in Lacs)	Amount in Foreign Currency	(₹ in Lacs)
Loans Payable	USD	25,700,000.00	11,600.98	1,287,663.00	656.06

ii. Commodities Hedging Contracts

The Company has entered into commodity contracts (being a derivative instrument), which are intended for hedging purpose.

There was no commodity hedging contract as at 31st March, 2010.

Pending Derivative Contract Details As at 31 st March, 2009							
S.No.	Party Name	Products	No. of pending contracts (Qty. in MT) Purchase	No. of pending contracts (Qty. in MT) Sale	Value (₹ in Lacs)	MTM Gain/ (Loss) (₹ in Lacs)	
1	STC	R M Seed May, 2009	11,800		2,711.64	50.70	
		R M Seed June, 2009	3,640		850.03	0.19	
2	Karvy Comtrade Limited	R M Seed May, 2009	3,440		790.51	31.01	
		R M Seed June, 2009	1,530		357.29	32.90	
		R M Seed July, 2009					2.64
		Soya Seed April, 2009		300	70.24	0.52	
		Soya Seed May, 2009					0.38
		Soya Ref. Oil April, 2009		170	75.82	0.73	
		Soya Ref. Oil May, 2009					0.004
		Soya Ref. Oil June, 2009		320	140.81	(0.56)	
		Crude Palm Oil April, 2009	880		273.85	0.23	
Total			21,610	470	5,270.19	118.74	

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

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

Particulars	Currency	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount in Foreign Currency	(₹ in Lacs)	Amount in Foreign Currency	(₹ in Lacs)
Export of goods	USD	17,35,446.00	788.57	2,11,691.00	107.86
Loan receivable from subsidiaries	MYR	1,19,51,280.50	1,649.05	1,07,26,858.00	1,535.40
Other Loan Receivables	MYR	2,42,700.00	33.48	2,42,700.00	34.74

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

Particulars	Currency	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount in Foreign Currency	(₹ in Lacs)	Amount in Foreign Currency	(₹ in Lacs)
Import of Goods and Service	USD	7,90,68,063.62	35,759.47	3,16,93,530.92	16,164.53
Capital Goods Imports	EURO USD	8,26,200.00 10,56,110.00	57,891.40 500.68	1,56,000.00	97.71
Interest Payable	USD EURO	5,52,782.61 17,599.14	249.64 11.67	6,26,793.00	63.77
Loans Payable	USD	3,01,08,068.08	13,590.78	1,82,19,748.00	9,282.96

iii. Bank Balances:

Particulars	Currency	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount in Foreign Currency	(₹ in Lacs)	Amount in Foreign Currency	(₹ in Lacs)
Bank Balances	USD	7,346.47	3.32	6,530.00	3.32

8. Employee Stock Option Scheme

a) During the year, the Company has not granted any Employee Stock Options to employees of the Company.

b) Method of accounting of ESOS –

The Company has adopted intrinsic value method in accounting for employee cost on account of ESOS. For 17,75,000 Options, the intrinsic value of the shares based on closing market price of BSE/ NSE as on 24th October, 2008 was ₹ 40.30 and ₹ 40.10 respectively and the exercise price fixed by the compensation committee of the Company was ₹ 42.00 and for 5,75,000 Options the intrinsic value of the shares based closing market price of BSE/NSE as on 14th November, 2008 was ₹ 39.55 and ₹ 39.45 respectively and the exercise price was fixed by the compensation committee of the Company was ₹ 42.00/- The difference between the intrinsic value and the exercise price is being amortized as employee compensation cost over the vesting period. The total amount to be amortized over the vesting period is Nil. Accordingly, the Company has not taken any impact in Profit and Loss account towards Employee Compensation cost.

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c) Salient Features:

Options have been granted under the schemes as follows:

Particulars	2009-10	2008-09
Outstanding at the beginning of the year	44,00,000	67,50,000
Options Granted during the year	Nil	23,50,000
Lapsed during the year	8,00,000	5,75,000
Options vested and exercised during the year	Nil	Nil
Outstanding at the end of the year	44,00,000	44,00,000

d) Certain Disclosures in respect of the scheme are as under:

i. As the options are granted using the Face value, no employee compensation cost will arise.

ii. Weighted Average exercise price of Options granted whose:

Particulars	22 nd October, 2007	25 th October, 2008	15 th November, 2008
A Exercise Price equals the Market Price	NA	NA	NA
B Exercise Price is greater than Market Price	75.00	42.00	42.00
C Exercise Price is less than Market Price	NA	NA	NA

Weighted Average fair value of Options granted whose:

Particulars	22 nd October, 2007	25 th October, 2008	15 th November, 2008
A Exercise Price equals the Market Price	NA	NA	NA
B Exercise Price is greater than Market Price	40.27	29.06	28.49
C Exercise Price is less than Market Price	NA	NA	NA

iii. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Variables	Date of Grant - 22 nd October, 2007				
	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
	21 st October, 2008	21 st October, 2009	21 st October, 2010	21 st October, 2011	21 st October, 2012
No. of Shares	5,75,000	5,75,000	11,50,000	17,25,000	17,25,000
1. Risk Free Interest Rate	7.79%	7.83%	7.88%	7.95%	49.50%
2. Expected Life (Years)	3.50	4.50	5.50	6.50	7.51
3. Expected Volatility	51%	52%	51%	50%	49%
4. Dividend Yield	0.50%	0.50%	0.50%	0.50%	0.50%
5. Price of the underlying share in market at the time of option granted	73.00	73.00	73.00	73.00	73.00

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Variables	Date of Grant - 25 th October, 2008				
	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
	24 th October, 2009	24 th October, 2010	24 th October, 2011	24 th October, 2012	24 th October, 2013
No. of Shares	1,77,500	1,77,500	3,55,000	5,32,500	5,32,500
1. Risk Free Interest Rate	7.31%	7.35%	7.40%	7.44%	7.49%
2. Expected Life (Years)	3.50	4.50	5.50	6.50	7.51
3. Expected Volatility	99%	92%	87%	82%	77%
4. Dividend Yield	0.50%	0.50%	0.50%	0.50%	0.50%
5. Price of the underlying share in market at the time of option granted	40.10	40.10	40.10	40.10	40.10

Variables	Date of Grant - 15 th November, 2008				
	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
	14 th November, 2009	14 th November, 2010	14 th November, 2011	14 th November, 2012	14 th November, 2013
No. of Shares	57,500	57,500	1,15,000	1,72,500	1,72,500
1. Risk Free Interest Rate	7.02%	7.09%	7.15%	7.22%	7.28%
2. Expected Life (Years)	3.50	4.50	5.50	6.50	7.51
3. Expected Volatility	99%	92%	87%	82%	78%
4. Dividend Yield	0.50%	0.50%	0.50%	0.50%	0.50%
5. Price of the underlying share in market at the time of option granted	39.45	39.45	39.45	39.45	39.45

9. Particulars of Managerial Remuneration

(₹ in Lacs)

Particulars	2009-10	2008-09
Salary	162.00	162.00
Employer's contribution to provident fund	0.37	0.37
Medical expenses	0.80	0.44
Director insurance expenses	3.59	14.58
Director's Sitting fees	4.25	3.03

This amount does not include the provision of gratuity for directors, as the same is provided as per the contribution amount determined by the Life Insurance Corporation of India.

10. Auditors Remuneration

(₹ in Lacs)

Particulars	2009-10	2008-09
Audit fees (Including Limited Review and Consolidation fees)	37.00	32.00
Certification work	0.42	1.57
Reimbursement of expenses	0.17	0.60
Service Tax on fees and reimbursements	3.82	3.67

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11. Loans and Advances to Subsidiary and Companies Under the Same Management

(₹ in Lacs)

Name of Company	Maximum Outstanding during 2009-10	Maximum Outstanding during 2008-09	Balance As at 31 st March, 2010	Balance As at 31 st March, 2009
K S Oils SDN. BHD.	1,649.05	1,535.40	1,649.05	1,535.40
K S Natural Resources Pte. Ltd.	Nil	5.21	Nil	Nil

12. Borrowing Cost

(₹ in Lacs)

Particulars	2009-10	2008-09
Borrowing cost capitalized during the year	309.96	382.36

13. Government Grants

a) Non-Monetary:

(₹ in Lacs)

Particulars	2009-10	2008-09
Depreciation on assets funded by Government Grants	5.88	5.88
Income recognized from Government Grants	5.88	5.88

b) Monetary:

(₹ in Lacs)

Particulars	2009-10	2008-09
Income recognized from Government Grants	1,585.21	Nil

14. Employee Benefit Plans

The Company has classified various employee benefits as under:

a) Defined Contribution Plan:

(₹ in Lacs)

Particulars	2009-10	2008-09
(i) Provident Fund	73.98	45.21
(ii) State defined contribution plans		
Employers' Contribution to Employees' State Insurance	7.08	0.45

b) Defined Benefit Plan:

1. Gratuity (Funded)
2. Leave Encashment (Non-funded)

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

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

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

i. The disclosures of Gratuity are as under:

Particulars	(₹ in Lacs)	
	2009-10	2008-09
1. Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	5%
2. Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	49,71,283.00	25,40,409.00
Interest cost	3,97,703.00	2,03,233.00
Current service cost	30,82,496.00	22,69,031.00
Benefits paid	(1,23,660.00)	0.00
Actuarial (gain)/ loss on obligations	25,45,205.00	(80,136.00)
Present value of obligations as at end of year	1,08,73,027.00	49,32,537.00
3. Table showing changes in the fair value of plan assets		
Fair value plan assets at beginning of year	90,93,875.00	27,28,764.00
Expected return on plan assets	8,25,832.00	3,21,142.00
Contributions	31,08,941.00	60,43,969.00
Benefits paid	(1,23,660.00)	0.00
Actuarial (gain)/ loss on obligations	Nil	Nil
Fair value of plan assets at the end of year	1,29,04,988.00	90,93,875.00
4. Table showing fair value of plan assets		
Fair value plan assets at beginning of year	90,93,875.00	27,28,764.00
Actual return on plan assets	8,25,832.00	3,21,142.00
Contributions	31,08,941.00	60,43,969.00
Benefits paid	(1,23,660.00)	0.00
Fair value of plan assets at the end of year	1,29,04,988.00	90,93,875.00
Funded status	20,31,961.00	41,61,338.00
Excess of actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March.)	Nil	Nil

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(₹ in Lacs)

Particulars	2009-10	2008-09
5. Actuarial Gain/ Loss recognized		
Actuarial gain/ (loss) for the year – Obligations	(25,45,205.00)	80,136.00
Actuarial (gain)/ loss for the year – plan assets	Nil	Nil
Total (gain)/ loss for the year	25,45,205.00	(80,136.00)
Actuarial (gain)/ loss recognized in the year	25,45,205.00	(80,136.00)
6. The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	1,08,73,027.00	49,32,537.00
Fair value of plan assets as at the end of the year	1,29,04,988	90,93,875.00
Funded status	20,31,961.00	41,61,338.00
Net assets (liability) recognized in balance sheet	(20,31,961.00)	(41,61,338.00)
7. Expenses recognized in statement of profit and loss		
Current service cost	30,82,496.00	22,69,031.00
Interest cost	3,97,703.00	2,03,233.00
Expected return on plan assets	(8,25,832.00)	(3,21,142.00)
Net actuarial (gain)/ loss recognized in the year	25,45,205.00	(80,136.00)
Expenses recognized in statement of profit and loss	51,99,572.00	20,70,986.00

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

Particulars	2009-10	2008-09
a) Discount Rate (per annum)	8%	7.5%
b) Rate of increase in Compensation levels	5%	5.0%
c) Rate of Return on Plan Assets	Nil	Nil
d) Expected Average. remaining working lives of employees in number of Years	25	24

1. Changes in present Value of Obligation

Particulars	2009-10	2008-09
a) Present value of Obligation as at beginning of the Year	14,67,154.00	0.00
b) Interest Cost	1,17,372.00	0.00
c) Past Service Cost	0.00	0.00
d) Current Service Cost	24,72,922.00	14,67,154.00
e) Contributions by Plan participants	0.00	0.00
f) Curtailment Cost/ (Credit)	0.00	0.00
g) Settlement Cost/ (Credit)	0.00	0.00
h) Benefits Paid	0.00	0.00
i) Actuarial(Gains)/ Loss	(4,77,272.00)	0.00
j) Present value of Obligation as at the end of the year	35,80,176.00	14,67,154.00

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2. Amounts recognized in the Balance Sheet

(₹ in Lacs)

Particulars	2009-10	2008-09
a) Present Value of Obligation as at the end of the year	35,80,176.00	14,67,154.00
b) Fair value of Plan Assets as at the end of the year	NA	NA
c) (Asset)/ Liability recognized in the Balance Sheet	35,80,176.00	14,67,154.00

3. Expenses recognized in the Profit and Loss Account

Particulars	2009-10	2008-09
a) Current Service Cost	24,72,922.00	14,67,154.00
b) Past Service Cost	0.00	0.00
c) Interest Cost	1,17,372.00	0.00
d) Expected Return on Plan Assets	0.00	0.00
e) Curtailment Cost/ (Credit)	0.00	0.00
f) Settlement Cost/ (Credit)	0.00	0.00
g) Net Actuarial(Gain)/ Loss	(4,77,272.00)	0.00
h) Employees' Contribution	0.00	0.00
i) Total Expenses recognized in the Profit and Loss Account	21,13,022.00	14,67,154.00

Note: As Company does not have Plan Assets for leave encashment policy; Disclosures pertaining to plan assets are not shown.

15. Related Party Disclosures

- a) Transactions with Related Parties as specified under Accounting Standard-18 issued by the Institute of Chartered Accountants of India -

Subsidiary	K S Natural Resources Pte Ltd.
Fellow Subsidiaries	K S Oils SDN.BHD. K S Agri Resources Pte. Ltd. PT Buana Mega Sentosa Plantation PT Mega Artha Peresada PT Biodiesel Jambi PT Tunas Bersusun Abadi PT Luvang Urip
Enterprises over which Key Managerial Personnel exercises significant influence.	K S Food Products K S Enterprises Ramesh Chand Sourabh Kumar HUF Sourabh Garg HUF K S Oils Ltd. Employees Group Gratuity Scheme
Key Managerial Personnel on the Board	
Mr. Ramesh Chand Garg Mr. Sanjay Agarwal Mr. Sourabh Garg Mr. R. Ganesh	Chairman Managing Director Whole-Time Director Whole-Time Director
Relatives of Key Managerial Personnel	
Mrs. Sheela Devi Garg Mrs. Meeta Garg Mr. Shyam Kumar Garg Mr. Om Prakash Garg Mr. Mohan Lal Garg	Spouse of the Chairman Spouse of Whole-Time director (Mr. Sourabh Garg) Brother of the Chairman Brother of the Chairman Brother of the Chairman

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b) Particulars of Related Party Transactions

(₹ in Lacs)

Particulars	Volume of Transaction during 2009-2010	Volume of Transaction during 2008-2009	As at 31 st March, 2010 O/S Receivable	As at 31 st March, 2009 O/S Receivable	As at 31 st March, 2010 O/S Payable	As at 31 st March, 2009 O/S Payable
Loan Given/ (Received Back) -Net of ERF						
Subsidiaries						
K S Oils SDN. BHD.	(55.67)	310.19	1,327.30	1,390.76		
K S Natural Resources Pte. Ltd.	Nil	(4.18)	Nil	Nil		
Investment						
K S Natural Resources Pte. Ltd.	11,801.32	6,404.50	19,597.83	7,796.50		
Interest Income From Subsidiary						
K S Oils SDN. BHD. (Net of Withholding Tax)	169.33	144.64	321.75	144.64		
Purchases						
K S Natural Resources Pte. Ltd.	13,153.88					
Interest on Purchase Transactions						
K S Natural Resources Pte. Ltd.	9.39					
Remuneration						
Key Management Personnel						
Mr. Ramesh Chand Garg	48.09	48.09				
Mr. Sanjay Agarwal	42.09	42.09				
Mr. Sourabh Garg	36.09	36.09				
Mr. R. Ganesh	36.09	36.09				
Dividend						
Key Management Personnel						
Mr. Ramesh Chand Garg	107.89	70.61				
Mr. Sourabh Garg	26.08	17.49				
Relative of Key Management Personnel						
Mrs. Meeta Garg	25.52	25.52				
Mrs. Sheela Devi Garg	41.11	41.11				
Mr. Shyam Kumar Garg	0.18	0.18				

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(₹ in Lacs)

Particulars	Volume of Transaction during 2009-2010	Volume of Transaction during 2008-2009	As at 31 st March, 2010 O/S Receivable	As at 31 st March, 2009 O/S Receivable	As at 31 st March, 2010 O/S Payable	As at 31 st March, 2009 O/S Payable
Mr. Om Prakash Garg	0.10	0.09				
Mr. Mohan Lal Garg	0.01	0.01				
Other Related Parties						
Ramesh Chand Sourabh Kumar HUF	31.05	31.05				
Sourabh Garg HUF	5.25	5.25				
Amount Received against Convertible Share Warrants						
Key Management Personnel						
Mr. Ramesh Chand Garg		4,000.00				
Mr. Sourabh Garg		1,000.00				
Relative of Key Management Personnel						
Mrs. Sheela Devi Garg	5,635.60		2,832.48			
Mrs. Meeta Garg	5,790.84		1,865.39			
Rent Paid						
Key Management Personnel						
Mr. Ramesh Chand Garg	46.80	7.80			17.35	
Relative of Key Management Personnel						
Mrs. Meeta Garg	4.56	4.56		0.31		
Mrs. Sheela Devi Garg	6.00	6.00	0.66	0.65		
Other Related Parties						
K S Enterprises	20.25	24.00			2.04	
K S Food Products	11.25	12.00			2.04	
Conversion of Equity Share Warrants						
Key Management Personnel						
Mr. Ramesh Chand Garg		8,000.00				
Mr. Sourabh Garg		2,000.00				

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(₹ in Lacs)

Particulars	Volume of Transaction during 2009-2010	Volume of Transaction during 2008-2009	As at 31 st March, 2010 O/S Receivable	As at 31 st March, 2009 O/S Receivable	As at 31 st March, 2010 O/S Payable	As at 31 st March, 2009 O/S Payable
Relative of Key Management Personnel						
Mrs. Sheela Devi Garg	2,803.12					
Other Related Parties						
Ramesh Chand Sourabh Kumar HUF	3,625.45					
ESOP Granted (in number)						
Key Management Personnel						
Mr. Sanjay Agarwal		2,90,000				
Mr. R. Ganesh		1,00,000				
Commission						
Other Related Parties						
K S Enterprises		3.06				3.06
Security Deposit Given						
Key Management Personnel						
Mr. Ramesh Chand Garg		23.40	23.40	23.40		
Contribution for Gratuity						
K S Oils Ltd. Group Gratuity Scheme	106.94	55.86				

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16. Operating Lease

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

(₹ in Lacs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Rent payable for 1 year	203.75	251.47
Rent payable for 1 to 5 years	510.10	629.68
Rent payable for 5 years and above	107.68	198.72

Notes:

- Rental cost is annually escalated between seven and twenty percentage. Annual escalation for every transaction is considered from the effective date of rent agreement. Except in case of some agreement where the escalation is effective after the execution of the rent agreement.
- On expiration of the above stated lease agreements, the same can be renewed on the basis of mutual consent of the lessor and lessee.
- Additional amount of service tax will be paid on the above stated lease rental amount according to the rates

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applicable at the time of respective lease rental payments.

4. Total lease rental cost recognized in the financial statement is of ₹ 1,207.19 Lacs (Previous Year ₹ 285.70 Lacs).
5. The Company's significant leasing arrangements are in respect of plant and machinery, storage tank and factory premises taken on lease for manufacturing activities at Kota and Ratlam. The arrangements range between 11 months and 10 years generally and are usually renewable by mutual consent of both parties or mutually agreeable terms.

17. Deferred Taxation

(₹ in Lacs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Opening Deferred Tax liability	10,515.79	4,152.15
Add: Difference between book WDV and WDV as per Income Tax Act, 1961	(522.92)	6,368.63
Deferred tax asset as per Section 43B	(7.02)	(4.99)
Closing Deferred tax liability	9,985.85	10,515.79

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Particulars	18. Segment Information In accordance with AS-17, Segment Revenue, Segment results and other information are as under:																					
	Edible Oil				Power				Others				Unallocable				Eliminations				Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09		
Segment Revenue																						
External Turnover	3,99,252.58	3,12,872.00	3,707.58	1,926.00															4,02,960.16	3,14,798.00		
Inter Segment Turnover			680.04	506.00															0.00	0.00		
Gross Turnover	3,99,252.58	3,12,872.00	4,387.62	2,432.00															4,02,960.16	3,14,798.00		
Less: Excise duty	260.46	131.00																	260.46	131.00		
Net Turnover	3,98,992.12	3,12,741.00	4,387.62	2,432.00															4,02,699.70	3,14,667.00		
Segment Result Before Interest and Taxes	38,660.79	31,212.00	2,420.98	1,175.00															41,199.68	32,595.00		
Less: Interest Expense			1,792.45	1,189.00															15,636.49	7,435.00		
Add: Interest Income																			1,110.87	931.00		
Profit before tax	38,660.79	31,212.00	628.53	(14.00)															26,674.06	26,091.00		
Current tax																			(4,763.42)	(2,748.00)		
Fringe benefit tax																				(43.00)	(43.00)	
Deferred tax																			529.94	6,364.00		
Profit after tax	38,660.79	31,212.00	628.53	(14.00)															22,440.58	16,936.00		
Other Information																						
Segment Assets	2,96,808.09	1,87,072.00	42,007.76	32,874.00															3,78,814.14	2,41,709.00		
Segment Liabilities	1,87,335.07	1,14,196.00	27,601.21	17,260.00															2,33,647.87	1,51,079.00		
Capital Expenditure	12,669.8	41,752.00	8,004.98	15,367.00															20,692.00	57,134.00		
Depreciation/ amortization	3,225.89	1,468.00	2,060.42	1,208.00															5,291.31	2,678.00		
Non-cash expenses other than Depreciation																			391.66	112.00		

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Disclosures

A. Primary Segment

a) Business Segment:

Segment identified by the Company comprises as under:

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

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

b) Segment Revenue and Expenses:

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

c) Segment Assets and Liabilities:

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

d) Inter segment Transfers:

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

e) Accounting Policies:

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

B. Secondary Segment: Geographical Segment

Out of the total turnover, majority portion of revenue pertains to domestic turnover; hence Secondary segment has not been disclosed.

19. Earning Per Share (EPS)

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

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Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Net profit after tax (₹ in Lacs)	22,440.58	16,936.47
Weighted average number of equity shares for Basic EPS (no. of shares in Lacs)	3,881.71	3,427.39
Basic earnings per share (in ₹)	5.78	4.94
Weighted average number of equity shares for Diluted EPS (no. of shares in Lacs)	3,932.61	3,432.50
Diluted earnings per share (in ₹)	5.71	4.93
Face value of share (in ₹)	1.00	1.00

20. The Micro, Small and Medium Enterprises Development Act, 2006

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

		(₹ in Lacs)	
S. No	Particulars	As at 31 st March, 2010	As at 31 st March, 2009
1)	The Principal amount and interest due thereon remaining unpaid to any supplier:		
	Principal	171.59	6.99
	Interest	11.58	0.94
2)	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0.94	Nil
3)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act,2006.	Nil	Nil
4)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	11.58	0.94
5)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	11.58	0.94

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21. Capacity and Production

Capacity Utilization Chart							
Plants	Units	2009-10			2008-09		
		Installed Capacity	Available Capacity	Capacity Utilization	Installed Capacity	Available Capacity	Capacity Utilization
Mustard Oil Plant	MT	14,62,500	11,26,875	4,42,734	8,02,500	4,95,000	3,70,496
Refined Oil Plant	MT	5,10,000	4,52,500	2,79,694	3,90,000	1,85,000	1,10,585
Vanaspati Plant	MT	45,000	45,000	9,399	45,000	45,000	17,320
Solvent Plant	MT	13,50,000	9,15,000	4,96,842	7,50,000	4,90,000	3,52,712
Windmill	MW	78.00	71.76	13,61,79,042	58.40	42.50	7,25,68,470

Notes:

1. Capacity utilization of windmill is in KWhr.
2. Licensed capacity clause is not applicable.
3. Available capacity is the capacity available for utilization during the year.
4. Installed and Available capacity is calculated on the basis of 300 working day in a year.

22. Particulars of Raw Material Consumption, Production, Sale and Stock

Description	Unit	Year ended 31 st March, 2010		Year Ended 31 st March, 2009	
		Quantity	Value in (₹ Lacs)	Quantity	Value in (₹ Lacs)
Opening Stock					
Oil	M T	62,382	31,617.00	18,672	8,786.00
DOC	M T	14,905	1,520.00	12,696	1,266.00
Vanaspati Ghee	M T	1,253	521.00	469	222.00
By Product/ Packing Material/ Trading Goods			1,034.00		384.00
Production					
Oil	M T	4,03,571		2,21,675	
DOC	M T	4,35,207		3,07,894	
Vanaspati Ghee	M T	8,773		16,235	
Power	KWH	13,61,79,042		7,25,68,470	
Purchases					
Oil	M T	1,63,054	71,121.00	1,91,374	89,665.00
DOC	M T	1,618	171.00	6,633	608.00
Vanaspati Ghee	M T	0	0.00	225	70.00
By Product/ Packing Material/ Trading Goods			18,858.00		20,762.00
Sale					
Oil	M T	5,66,968	3,13,235.00	3,69,339	2,29,216.00
DOC	M T	4,18,794	64,098.00	3,12,318	40,579.00

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Description	Unit	Year ended 31 st March, 2010		Year Ended 31 st March, 2009	
		Quantity	Value (₹ in Lacs)	Quantity	Value (₹ in Lacs)
Vanaspati Ghee	M T	9,507	3,943.00	15,676	7,348.00
Power	KWH	12,98,03,199	3,708.00	5,89,61,017	1,926.00
By Product/ Packing Material/ Trading Goods			17,716.00		35,598.00
Closing Stock					
Oil	M T	62,039	28,162.00	62,382	31,617.00
DOC	M T	32,936	3,759.00	14,905	1,519.00
Vanaspati Ghee	M T	519	227.00	1,253	521.00
By Product/ Packing Material/ Trading Goods			3,622.00		1,034.00
Raw Material Consumed					
Mustard Seed	M T	4,47,511	97,957.00	3,66,928	89,506.00
Soyabean Seed	M T	2,28,116	53,042.00	1,73,656	31,540.00
Sunflower Seed	M T	3,571	712.00	3,568	939.00
Crude Oil for Refinery	M T	2,79,694	79,858.00	1,10,585	28,382.00
Crude Oil for Vanaspati	M T	9,399	1,798.00	17,320	5,600.00
Tin Plate	M T	4,908	2,525.00	5,204	2,923.00
Oil Cake	M T	2,60,389	8,874.00	1,79,056	9,739.00
HDPE			700.00		553.00

Note: Raw Material consumed includes material produced and captively consumed for production of finished goods.

23. CIF/ CFR Value of Imports

(₹ in Lacs)

Particulars	2009-10	2008-09
Raw Materials/ Traded Goods	47,511.84	34,936.71
Stores and Spares	17.28	Nil
Capital goods	1,587.63	97.71

24. Value of Raw Material, Stores and Spares Consumed

Particulars	2009-10		2008-09	
	Consumption (₹ in Lacs)	% of Total Consumption	Consumption (₹ in Lacs)	% of Total Consumption
1) Value of Raw Material Consumed				
Total Consumption	2,45,466.07		1,69,182.00	
Imported	73,814.82	30	14,291.00	8
Indigenous	1,71,651.25	70	1,54,891.00	92
2) Value of Stores and Spares Consumed				
Total Consumption	613.00		1,009.00	
Imported	17.28	2.82	Nil	
Indigenous	595.72	97.18	1,009.00	100

NOTES

forming part of the Financial Statements

25. Earnings in Foreign Currency

(₹ in Lacs)		
Particulars	2009-10	2008-09
On export of goods calculated on FOB basis	12,681.50	20,856.90
Interest on loan to subsidiaries	189.14	144.64

26. Expenditure in Foreign Currency

(₹ in Lacs)		
Particulars	2009-10	2008-09
Interest	930.16	331.84
Professional fess	13.31	9.60
Others	195.57	190.93

27. Dividend to NRI/ OCB

(₹ in Lacs)		
Particulars	2009-10	2008-09
Dividend	334.77	203.96
Number of Shareholders	578	421
Total Number of Shares (in No.)	18,59,85138	11,33,09,007

28. Comparative Figures

Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

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

Ramesh Chand Garg
Chairman

Sanjay Agarwal
Managing Director

Place: Delhi
Date: 4th September, 2010

Naveen Jain
GM - Legal & Company Secretary

AUDITOR'S REPORT

To

The Board of Directors of K S Oils Limited

1. We have examined the attached Consolidated Balance Sheet of K S Oils Limited (the 'Company'), and the Consolidated Balance Sheet of its subsidiary, K S Natural Resources Pte. Ltd. (collectively referred to as "the Group"), as at 31st March, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (collectively referred to as 'Consolidated Financial Statement'). These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the consolidated and standalone financial statement of the above stated subsidiary, whose consolidated and standalone financial statement reflects total assets of ₹ 23,704.08 Lacs and ₹ 21,231.86 Lacs, total revenue of ₹ 429.52 Lacs and ₹ 565.01 Lacs and net cash outflows of ₹ 220.46 Lacs and ₹ (269.28) Lacs respectively for the year ended on that date.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and on the basis of separate financial statements and other information referred to in paragraph 3 above.
5. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii. in the case of the Consolidated Profit and Loss Account, of the profits for the year ended on that date; and
 - iii. in the case of Consolidated Cash Flow Statements, of the cash flows for the year ended on that date.

For M/s. BDO Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Chetan Desai

Partner

Membership No.17000

Place: Mumbai

Date: 4th September, 2010.

CONSOLIDATED BALANCE SHEETas at 31st March, 2010

(₹ in Lacs)

	Schedules	As at 31st March, 2010	As at 31st March, 2009
Sources of Funds			
Shareholders' Funds			
Share Capital	1	4,090	3,563
Equity Share Entitlement Warrant		7,130	0
Reserves and Surplus	2	1,33,008	87,892
		1,44,228	91,455
Minority Interest		437	205
Loan Funds			
Secured Loans	3	1,47,732	93,188
Deferred Tax Liability (Net)		9,674	10,450
Deferred Government Grant		81	87
Total		3,02,152	1,95,385
Application of Funds			
Goodwill on Consolidation		329	1,256
Fixed Assets			
Gross Block	4	1,25,843	71,155
Less: Accumulated Depreciation/ Amortisation		11,368	5,953
Net Block		1,14,475	65,202
Immature Plantation		4,002	1,349
Capital Work-in-Progress (Including Capital Advances)		7,865	35,347
		1,26,671	1,03,154
Current Assets, Loan and Advances			
Inventories	5	1,71,775	97,467
Sundry Debtors	6	23,120	12,079
Cash and Bank Balances	7	12,719	7,316
Other Current Assets	8	4,863	2,813
Loans and Advances	9	36,416	20,006
		2,48,893	1,39,681
Less: Current Liabilities and Provisions			
Current Liabilities	10	64,534	38,341
Provisions	11	8,878	9,109
		73,412	47,450
Net Current Assets		1,75,481	92,231
Total		3,02,152	1,95,385
Significant Accounting Policies and Notes to Accounts forming an integral part of the Balance Sheet.	20		

As per our attached report of even date

For M/s. BDO Haribhakti & Co.
Chartered AccountantsChetan Desai
PartnerPlace: Delhi
Date: 4th September, 2010For and on behalf of the Board of Directors of
K S Oils LimitedRamesh Chand Garg
ChairmanSanjay Agarwal
Managing DirectorNaveen Jain
GM - Legal & Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNTfor the year ended 31st March, 2010

(₹ in Lacs)

	Schedules	2009-10	2008-09
Income			
Sales	12		
Gross Sales		4,03,248	3,14,840
Less: Excise Duty		260	131
Net Sales		4,02,988	3,14,709
Other Operating Income	13	6,204	2,109
Other Income	14	1,050	893
Increase in Inventory	15	1,079	24,033
Total (A)		4,11,321	3,41,744
Expenditure			
Cost of Materials	16	3,35,659	2,80,287
Manufacturing, Administrative and Other Expenses	17	26,223	23,652
Personnel Expenses	18	3,201	2,087
Finance Cost	19	15,645	7,435
Depreciation/ Amortisation	4	5,335	2,707
Total (B)		3,86,063	3,16,168
Profit Before Tax (A-B)		25,258	25,576
Less: Provision for Taxation			
Income Tax		4,763	3,075
MAT Credit Entitlement		0	(406)
		4,763	2,669
Interest on Income Tax		0	0
Fringe Benefit Tax		0	43
Deferred Tax Adjustments		(759)	6310
Tax for Earlier Years		0	79
Profit After Tax		21,254	16,475
Add/ (Less): Minority Interest		53	64
Net Profit After Tax		21,307	16,539
Balance brought forward from Previous periods		29,159	15,455
Amount available for Appropriation		50,466	31,994
Less: Proposed Dividend		736	714
Less: Provision for Dividend Distribution Tax		122	121
Less: Provision for Interest on Dividend Distribution Tax			
Less: Transfer to General Reserves		2,000	2,000
Balance carried to Balance Sheet		47,608	29,159
Basic Earning Per Share (₹)		5.48	4.83
Diluted Earning Per Share (₹)		5.40	4.82
Nominal Value per share (₹)		1.00	1.00
(Refer Note 17 in Schedule 20)			
Significant Accounting Policies and Notes to Accounts forming an integral part of the Profit and Loss Account.	20		

As per our attached report of even date

For M/s. BDO Haribhakti & Co.
Chartered AccountantsChetan Desai
PartnerPlace: Delhi
Date: 4th September, 2010For and on behalf of the Board of Directors of
K S Oils LimitedRamesh Chand Garg
ChairmanSanjay Agarwal
Managing DirectorNaveen Jain
GM - Legal & Company Secretary

CONSOLIDATED CASH FLOW STATEMENTfor the year ended 31st March, 2010

(₹ in Lacs)

	2009-10	2008-09
Cash Flow from Operating Activities		
Net Profit for the Period (before tax)	25,259	25,576
Depreciation	5,335	2,707
Interest Received	(1,194)	(785)
Interest Cost	15,636	7,435
Depreciation on Government Grant	(6)	(6)
Provision for Doubtful Debts	392	9
Loss on disinvestment in subsidiary	0	103
Provision for Gratuity and Termination Expenses	118	0
Unrealised Exchange Rate Fluctuation (Gain)/ Loss	(1,981)	742
Profit on Sale of Fixed Assets	(1)	(1)
Taxes Paid	(4,015)	(3,286)
Impact of Foreign Exchange Translation (Net)	1,198	(38)
Adjustments		
(Increase)/ Decrease in Inventory	(74,307)	(53,330)
(Increase)/ Decrease in Trade Receivable	(11,413)	1,451
Increase/ (Decrease) in Trade Payable and Provisions	28,588	49,437
(Increase)/ Decrease in Other Receivables and Loans & Advances	(20,457)	(1,121)
Net Cash Flow from Operating Activities: [A]	<u>(36,847)</u>	<u>28,893</u>
Cash Flow from Investing Activities		
Purchase of the Fixed Assets	(54,688)	(40,521)
Development of Immature Plantation	(2,653)	(1,296)
Sale of Fixed Assets	2	10
(Increase)/ Decrease in Capital WIP	27,482	(16,978)
Invstment in subsidiary	0	785
Loan to subsidiary	(169)	0
Interest Received	1,197	0
Net cash on acquisition of subsidiaries	2,463	0
Prepayments	(3,032)	0
Net Cash Flow from Investing Activities: [B]	<u>(29,398)</u>	<u>(58,000)</u>
Cash Flow from Financing Activities		
Proceeds from Issuance of Share Warrant/ Shares	33,010	4,972
Proceeds from Long Term Borrowings (Secured Loans)	54,917	24,573
Proceeds from Unsecured Loan	0	0
Payment of Unsecured Loan	0	0
Dividend Paid	(714)	(598)
Interest Paid	(15,636)	(7,560)
Proceeds from share issue to minority interest	146	0
Net Cash Flow from Financing Activities: [C]	<u>71,723</u>	<u>21,387</u>

CONSOLIDATED CASH FLOW STATEMENTfor the year ended 31st March, 2010

(₹ in Lacs)

	2009-10	2008-09
Net Increase in Cash and Cash Equivalents: [A+B+C]	5,478	(7,720)
Opening Balance of Cash and Cash Equivalents	7,241	15,036
Closing Balance of Cash and Cash Equivalents	<u>12,719</u>	<u>7,316</u>
Notes:		
Cash and Cash Equivalent Includes:		
Cash in Hand	255	258
Balance with Scheduled Banks		
In Current Accounts	2,469	2,848
In Fixed Deposit Accounts	9,947	4,165
In Unclaimed Dividend Account	24	21
Balance with unscheduled Banks	24	24

As per our attached report of even date

For M/s. BDO Haribhakti & Co.
Chartered AccountantsChetan Desai
PartnerPlace: Delhi
Date: 4th September, 2010For and on behalf of the Board of Directors of
K S Oils LimitedRamesh Chand Garg
ChairmanSanjay Agarwal
Managing DirectorNaveen Jain
GM - Legal & Company Secretary

SCHEDULES

forming part of Consolidated Accounts

(₹ in Lacs)

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 1		
Share Capital		
Authorised		
Equity Share Capital 60,00,00,000 Equity Share of ₹ 1/- Each (Previous Year 60,00,00,000 Equity Shares of ₹ 1/- each)	6,000	6,000
	<u>6,000</u>	<u>6,000</u>
Issued, Subscribed and Paid-up		
40,89,51,418* Equity Shares of ₹ 1/- each (Previous Year 35,62,74,490* Equity Shares of ₹ 1/- each) * Includes 9,40,00,000 Bonus Shares of ₹ 1/- each issued during FY 06-07 by capitalisation of Security Premium and General Reserve	4,090	3,563
	<u>4,090</u>	<u>3,563</u>
SCHEDULE 2		
Reserves and Surplus		
Capital Reserve		
	17	17
Security Premium Account		
Opening Balance	52,685	42,950
Add: Premium Received During the Period	25,734	9,761
	<u>78,419</u>	<u>52,711</u>
Less: GDR issue expenses	381	28
	<u>78,038</u>	<u>52,683</u>
General Reserves		
Opening Balance	4,577	2,578
Add: transfer from Profit and Loss account during the year	2,000	2,000
	<u>6,577</u>	<u>4,578</u>
Balance as per Profit and Loss Accounts Annexed		
Opening Balance	29,159	15,455
Add: Profit for the period	18,449	13,704
	<u>47,608</u>	<u>29,159</u>
Foreign Currency Translation Reserve	768	1,455
	<u>1,33,008</u>	<u>87,892</u>
SCHEDULE 3		
Secured Loans		
From Banks		
On Term Loan Account		
Secured by first charge on fixed assets of the Company except wind turbine generators and Haldia Plant and second <i>pari passu</i> charge on entire current assets of the Company	11,487	10,275
Secured by exclusive charge on Haldia Plant of the Company.	5,850	7,200
Secured by exclusive charge on wind turbine generators of the Company	24,285	15,408
	<u>41,622</u>	<u>32,883</u>
Interest on Term Loan due but not paid	381	34
On Working Capital Account		
Secured by first <i>pari passu</i> charge on entire current assets of the Company and second <i>pari passu</i> charge on fixed assets of the Company except wind turbine generators and Hadia Plant	1,05,729	60,271
	<u>1,47,732</u>	<u>93,188</u>

SCHEDULES

forming part of Consolidated Accounts

SCHEDULE 4 Fixed Assets and Depreciation/ Amortisation Chart

(₹ in Lacs)

Description of Assets	Gross Block				Depreciation/ Amortisation				Net Block		
	As on 1 st April, 2009	Addition during the year	Sales during the year	Foreign Currency Translation	Total as on 31 st March, 2010	As on 1 st April, 2009	Addition during the year	Sales during the year	Foreign Currency Translation	Total as on 31 st March, 2010	Total as on 31 st March, 2009
Freehold Land	1,784	127	0	0	1,911	0	0	0	0	1,911	1,784
Leasehold Land	1,798	81	0	(21)	1,858	51	25	0	(4)	1,786	1,747
Building	8,290	9,962	0	(1)	18,251	706	502	0	0	17,044	7,584
Plant And Machinery	19,073	21,433	2	85	40,588	2,122	1,945	1	30	4,096	16,951
Utilities	3,299	91	0	0	3,390	323	41	0	0	3,65	2,976
Windmills	31,000	10,848	0	0	41,849	1,513	2,052	0	0	3,565	29,487
Electric Installation	3,212	5,661	0	0	8,873	430	361	0	0	791	2,782
Furniture and Fixture	610	266	0	0	877	181	99	0	0	280	429
Office Equipment	1,283	426	0	(2)	1,707	393	223	0	0	1,092	890
Vehicle	669	178	5	(20)	821	196	110	5	(2)	298	473
Computer Software	36	19	0	0	55	36	19	0	0	55	0
Goodwill	101	0	0	0	101	2	20	0	0	78	99
Land Right	0	5,562	0	0	5,562	0	0	0	0	5,563	0
Grand Total	71,155	54,654	7	41	125,843	5,953	5,397	6	24	11,368	65,202
Previous Year	30,516	40,521	37	155	71,155	3,261	2,717	28	3	65,202	-

Note:

1) Capital Work-In-Progress (Excluding advances for Capital Goods)	As at 31 st March, 2010	As at 31 st March, 2009
Windmills	0	2,924
Building	1,212	602
Plant and Machinery	2,120	27,150
Furniture and Fixture	0	202
Electric Installation	14	37
Computer Software	16	213
Railway Side	554	0
Miscellaneous WIP	42	0

2) In respect of certain leasehold land amount has been capitalised on the basis of comfort letter received from vendors.

SCHEDULES

forming part of Consolidated Accounts

(₹ in Lacs)

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 5		
Inventories		
(as taken, valued and certified by the management)		
Raw materials	1,33,823	62,075
Work-in-Progress	1,290	0
Finished goods	32,159	33,657
Stores and spares	881	701
Packing materials	3,040	930
By-product	582	104
Total	<u>1,71,775</u>	<u>97,467</u>
SCHEDULE 6		
Sundry Debtors		
(Unsecured and considered good, unless otherwise stated)		
Outstanding for more than six months	949	147
Other debts	22,562	11,955
	23,511	12,102
Less: Provision for doubtful debts	391	23
Total	<u>23,120</u>	<u>12,079</u>
SCHEDULE 7		
Cash and Bank Balances		
Cash in hand (As certified by the Management)		
	255	258
Balance with Scheduled banks		
In Current Accounts	2,469	2848
In fixed deposit accounts	9,947	4165
In unclaimed dividend account	24	21
Balance with Banks other than Scheduled Banks		
In Current Accounts		
Vyavsaik Evam Adhyogik Sahkari Bank Ltd.	21	21
(Maximum Balance during Current Year 45,76,642. Previous Year 1,18,71,211)		
City Bank N.A., London (Maximum Balance during Current Year 60,99,65,137 Previous Year 3,32,699)	3	3
Total	<u>12,719</u>	<u>7,316</u>
SCHEDULE 8		
Other Current Assets		
Sales Tax refund receivable	3,077	1,609
Export benefit receivable	145	555
Interest Receivable	403	213
Other Current Assets	1,238	436
Total	<u>4,863</u>	<u>2,813</u>
SCHEDULE 9		
Loans and Advances		
(Unsecured and considered good, unless otherwise stated)		
Advances receivable in cash or in kind or for value to be received	26,301	10,374
Less: Provision for Doubtful advances	15	0
	26,286	10,374
Advance Tax	6,176	7,531
MAT credit entitlement	406	406
Input VAT credit receivable	2,163	843
Balance with Excise, Customs etc.	8	23
Other deposits/ advances	1,377	829
Total	<u>36,416</u>	<u>20,006</u>

SCHEDULES

forming part of Consolidated Accounts

(₹ in Lacs)

	As at 31 st March, 2010	As at 31 st March, 2009
SCHEDULE 10		
Current Liabilities		
Sundry Creditors		
MSME	179	19
Others	57,163	36,356
Unclaimed Dividend	24	20
Bank Balance	110	204
Security deposit from Customers	95	70
Advances from Customers	846	180
Other Liabilities	6,117	1,492
Total	64,534	38,341
SCHEDULE 11		
Provisions		
Provision for Tax	7,746	8,151
Provision for excise duty	18	6
Proposed Dividend	736	714
Provision for Dividend Distribution Tax	122	223
Provision for Employee Benefits	256	15
Total	8,878	9,109

SCHEDULES

forming part of Consolidated Accounts

(₹ in Lacs)

	2009-10	2008-09
SCHEDULE 12		
Sales		
Domestic sales (including high seas sales)	3,46,370	2,80,917
Export Sales	14,920	21,894
Sales against 'H' Form	41,670	11,987
Sales by subsidiary	288	42
	4,03,248	3,14,840
Less: Excise Duty	260	131
Total	4,02,988	3,14,709
SCHEDULE 13		
Other Operating Income		
Exchange rate difference	2,574	0
Government subsidy	1,591	6
Income from commodity hedging	635	487
Windmill Claims	611	0
Miscellaneous income	311	15
Export incentive	226	1,276
Agriculture income	209	200
Sales tax refund	0	118
Bad debts recovered	0	7
Income from Carbon Credit sales	47	0
Total	6,204	2,109
SCHEDULE 14		
Other Income		
Interest received		
From others (on banks, security deposits, income tax refund etc.) (Tax deducted at source Current Year ₹ 1,04,25,027/- Previous Year ₹ 1,59,93,826/-)	995	785
Miscellaneous Income	55	108
Total	1,050	893
SCHEDULE 15		
Increase in Inventory		
Closing Stock		
Finished goods	32,148	33,657
By-products	582	104
Packing materials	3,040	930
Total Closing Stock	35,770	34,691
Opening Stock		
Finished goods	33,657	10,274
By-products	104	106
Packing materials	930	278
Total Opening Stock	34,691	10,658
Total Increase in Inventory	1,079	24,033
SCHEDULE 16		
Cost of material		
Material cost and inventory adjustment		
Opening Stock	62,075	32,979
Add: Purchase (including trading goods)	4,08,696	3,09,383
Total	4,70,771	3,42,362
Less: Closing Stock	1,35,112	62,075
Total	3,35,659	2,80,287

SCHEDULES

forming part of Consolidated Accounts

(₹ in Lacs)

	2009-10	2008-09
SCHEDULE 17		
Manufacturing, Administrative and Other Expenses		
Power and fuel	4,680	3,087
Wages	748	572
Other Manufacturing expenses	2,651	1,266
Stores and spares consumed	613	1,009
Repairs and maintenance		
- Plant and machinery	457	774
- Building	175	166
- Others	173	262
Transportation, loading and unloading	6,192	4,726
Packing materials	87	68
Selling and distribution expenses	1,471	1,556
Advertisement and sales promotion	1,016	928
Commission on sales	373	396
Discount on sales	307	40
Provision for doubtful debts	392	9
Insurance	337	381
Exchange rate difference	0	4,788
Financial expenses	1,229	1,139
Miscellaneous expenses	884	612
Consultancy, legal and professional charges	720	547
Rates and Taxes	635	460
Travelling and conveyance	541	353
Rent	1,325	326
Loss on disinvestment of subsidiaries	0	103
Wind mill expenses	497	47
Charity and donation (Non-political)	15	25
Premium on forward cover	377	9
Wealth tax	3	3
Carban Credit Expenses	56	0
Agriculture Expenses	80	0
Software Expenses	189	0
Total	26,223	23,652
SCHEDULE 18		
Personnel Expenses		
Salary, wages and bonus	2,431	1,583
Directors remuneration and sitting fees	171	181
Contribution to Gratuity	107	56
Contribution to provident fund and others	72	45
Staff welfare expenses	265	129
Others	155	93
Total	3,201	2,087
SCHEDULE 19		
Finance Cost		
Interest on term loans	4,360	1,551
Interest on working capital loans	9,000	4,626
Interest to others	2,285	1,258
Total	15,645	7,435

SCHEDULES

forming part of Consolidated Accounts

SCHEDULE 20

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for Preparation of Consolidated Financial Statement

The consolidated financial statements relate to K S Oils Limited ("the Company") and its subsidiaries jointly referred as ("the Group") have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- (ii) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as goodwill or capital reserve as the case may be.
- (iii) Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (iv) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- (v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as holding Company separate financial statements, to the extent possible, except as provided under para 11 a) (vi) and 12 (f).

2. The subsidiaries considered in the Consolidated Financial Statements are:

Name of Subsidiary Companies	Countries of Incorporation	Status	Proportion of Ownership Interest/ Voting Power Directly or through Subsidiaries (%)
K S Natural Resources Pte. Ltd. (From 23 rd November, 2007)	Singapore	Subsidiary of K S Oils Ltd.	100
K S Oils SDN. BHD. (From 31 st March, 2009)	Malaysia	Subsidiary of K S Natural Resources Pte. Ltd.	70
K S Agri Resources Pte. Ltd. (From 28 th May, 2008)	Singapore	Subsidiary of K S Natural Resources Pte. Ltd.	100
PT Buana Mega Sentosa Plantation (From 22 nd November, 2008)	Indonesia	Subsidiary of K S Natural Resources Pte. Ltd.	90
PT Biodiesel Jambi (From 1 st January, 2010)	Indonesia	Subsidiary of K S Natural Resources Pte. Ltd.	90
PT Mega Artha Persada (From 1 st January, 2010)	Indonesia	Subsidiary of K S Natural Resources Pte. Ltd.	90
PT Tunas Bersusun Abadi (From 17 th November, 2009)	Indonesia	Subsidiary of K S Agri Resources Pte. Ltd.	88
PT Luvang Urip (From 11 th August, 2009)	Indonesia	Subsidiary of PT Tunas Bersusun Abadi	95

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3. Use of Estimates

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

4. Revenue Recognition

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

5. Inventories

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

6. Agricultural Activity

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

7. Commodity Hedging (Derivatives)

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

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8. Certified Emission Reductions

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

9. Fixed Assets

a) Tangible Assets

- i. Tangible assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to acquisition or construction of fixed assets which takes substantial period of time to get ready for their intended use is capitalized.
- ii. Advances paid towards the acquisition of the fixed assets outstanding at each balance sheet date are disclosed under capital work-in-progress.

b) Intangible Assets

Intangible Assets are recorded at the consideration paid for the acquisition.

10. Immature Plantations

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

11. Depreciation/ Amortization

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

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- b) Amortization:
 - i. Leasehold assets are amortized over the period of lease.
 - ii. Intangible assets are amortized over their estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its use.
 - iii. Goodwill arising in the course of acquisition will be amortized over a period of five years.

12. Foreign Currency Transactions

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

13. Employee Benefits

a) Short-term Employee Benefits

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

b) Post Employment Benefits

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

c) Other Long-Term Employees Benefits

Company's liability towards earned leave is determined by an independent actuary using Projected Unit Credit Method. Past services are recognized on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized immediately in the profit and loss account as income or expenses. Obligation is measured at the present value of the estimated future cash flows using a discounted

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rate that is determined by reference to the market yields at the balance sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

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

14. Investments

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

15. Taxation

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

a) Current Tax

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

b) Minimum Alternate Tax (MAT)

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

c) Deferred Tax

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

16. Government Grant

a) Capital Grant

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

b) Revenue Grant

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

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17. Borrowing Cost

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

18. Employee Stock Option

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

19. Impairment of Assets

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

20. Provisions and Contingent Liabilities

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

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B. NOTES TO ACCOUNTS

1. Commitments and Contingent Liabilities

(₹ in Lacs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
(I) Claims against the company not acknowledged as debts in respect of		
(a) Excise & custom duty matters under dispute	48.46	48.46
(b) Commercial Taxes matter under dispute	237.35	32.31
(c) Income Tax	19.11	4.35
(II) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	3,694.50	6,575.98
(III) Bank/ Corporate Guarantee	8,012.76	255.26
(IV) Export Promotion against Capital Goods	283.24	15.78

Note:

An amount of ₹ 52.35 Lacs and ₹ 30.95 Lacs is deposited as appeal advance as on 31st March, 2010 and 31st March, 2009 respectively against Excise and Customs matters and Sales tax matters.

2. Fixed Deposits Under Lien

(₹ in Lacs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Fixed deposits under lien with bank for bank guarantees, Letter of Credit and Other	9,947.06	1,915.00

3. Preferential Issues of Equity Shares and Warrants

- In order to meet the fund requirement of the Company for its (i) Expansion of refinery in India along with other allied expenditure (ii) Investment in its overseas subsidiaries for development of Greenfield palm plantations and acquisition of mature palm plantations and/or CPO mills, all in Indonesia. The Company has come out with preferential allotment of Equity Shares and Warrants to the promoters and other foreign Investors during the year at an issue price calculated under SEBI (DIP) Guidelines, 2000 on preferential basis duly approved by Shareholders and Board of Directors of the Company.
- During the year Company has allotted 2,79,21,406 Equity Shares of ₹ 1/- each at a premium of ₹ 47.43/- each to NSR Direct PE Mauritius, LLC and raised ₹ 13,522.30 Lacs.
- On 5th September, 2009 the Company has allotted 86,72,566 Warrants to Baring Private Equity Asia III Mauritius Holdings (3) Limited of ₹ 1/- each at premium of ₹ 55.50/- per Warrant and receive 25% of the Issue price and raised ₹ 1,225.43 Lacs.
- On 5th September, 2009 the Company has allotted 86,72,566 Warrants to:-
 - CVCIGP II Client Rosehill Limited - 55,59,115.
 - CVCIGP II Employee Rosehill Limited - 31,13,451of ₹ 1/- each at premium of ₹ 55.50/- per Warrant upon receipt of 25% of the Issue price and raised ₹ 1,225.43 Lacs.

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- e) During the year the Company has allotted 2,88,07,339 warrants to promoter of ₹ 1/- each at a premium of ₹ 53.50/- each on receipt of ₹ 3,926.00 Lacs towards 25% of issue price. Further on 29th January, 2010, Company has allotted 1,23,46,002 equity shares of ₹ 1/- each to promoters upon conversion of 1,23,46,002 promoters warrants on receipts of ₹ 5,046.00 Lacs towards balance 75% of issue price. The Company had also received an additional amount of ₹ 2,454.00 Lacs which has been appropriated towards exercise price of promoter warrants pending for allotment.
- f) The entire proceeds have been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries except having ₹ 7,537.17 Lacs which were in the shape of Fixed Deposit Receipts at the end of the year.

4. GDR Issue:

- a) The Company has also come out with GDR Issue during July, 2009 to meet its requirement of expenditure for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries. These overseas subsidiaries shall use these amounts for development of Greenfield palm plantations and acquisition of matured palm plantations and /or CPO mills, all in Indonesia. The Company has issued 12,40,952 GDRs on 15th July, 2009 to foreign investors and raised ₹ 6,008.35 Lacs (US\$ 123.40 Lacs). The GDRs are listed with Singapore Stock Exchange and each GDR is entitled to be converted into 10 Equity Shares of ₹ 1/- each.
- b) Out of the amount raised by the Company through GDR Issue during financial year 2009-10, the entire proceed has been utilized for the purpose of expansion of refinery in India along with other allied expenditure and for investment in its subsidiaries.

5. Share Issue Expenses

To be in conformity with Accounting Standards-26 on "Intangible Assets" and as per provision of section 78 of Companies Act, 1956, "Share issue expenses" (Including GDR/Private Equity issue expenses) amounting to ₹ 380.69 Lacs (Previous year - ₹ 27.57 Lacs) are charged off against Security Premium Account.

6. Agricultural Activity

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

7. Immature Plantations

Immature plantations are not insured against risk of fire light and other risks. During the year, the expenditure on immature plantations has not been amortised as the crops are not available for use.

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8. Derivatives

a) Derivative Instruments

The following are the outstanding hedge contracts:

i. Forward Contracts

The year end foreign currency exposures that have been hedged by derivative instruments or otherwise are given below:

Particulars	Currency	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount in Foreign Currency	(₹ in Lacs)	Amount in Foreign Currency	(₹ in Lacs)
Loans Payable	USD	2,57,00,000.00	11,600.98	12,87,663.00	656.06

ii. Commodities Hedging Contracts

The Company has entered into commodity contracts (being a derivative instrument), which are intended for hedging purpose.

There was no commodity hedging contract as at 31st March, 2010.

Derivative Pending Contract Details As at 31st March, 2009

S.No.	Party Name	Products	No. of pending contracts (Qty.in MT) Purchase	No. of pending contracts (Qty. in MT) Sale	Value (₹ in Lacs)	MTM Gain/(loss) (₹ in Lacs)	
1	STC	R M Seed May, 2009	11,800		2,711.64	50.70	
		R M Seed June, 2009	3,640		850.03	0.19	
2	Karvy	R M Seed May, 2009	3,440		790.51	31.01	
		Comtrade Limited	R M Seed June, 2009	1,530		357.29	32.90
			R M Seed July, 2009				2.64
		Soya Seed April, 2009		300	70.24	0.52	
		Soya Seed May, 2009				0.38	
		Soya Ref. Oil April, 2009		170	75.82	0.73	
		Soya Ref. Oil May, 2009				0.004	
		Soya Ref. Oil June, 2009	320		140.81	(0.56)	
		Crude Palm Oil April, 2009	880		273.85	0.23	
Total			21,610	470	5,270.19	118.74	

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

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

Particulars	Currency	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount in Foreign Currency	(₹ in Lacs)	Amount in Foreign Currency	(₹ in Lacs)
Export of goods	USD	17,35,446.00	788.57	2,11,691.00	107.86
Loan receivable from subsidiaries	MYR	1,19,51,280.50	1,649.05	1,07,26,858.00	1,535.40
Other Loan Receivables	MYR	2,42,700.00	33.48	2,42,700.00	34.74

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

Particulars	Currency	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount in Foreign Currency	(₹ in Lacs)	Amount in Foreign Currency	(₹ in Lacs)
Import of Goods and Service	USD	7,90,68,063.62	35,759.47	3,16,93,530.92	16,164.53
Capital Goods Imports	EURO	8,26,200.00	57,891.4	1,56,000.00	97.71
	USD	10,56,110.00	500.68		
Interest Payable	USD	5,52,782.61	249.64	6,26,793.00	63.77
	EURO	17,599.14	11.67		
Loans Payable	USD	3,01,08,068.08	13,590.78	1,82,19,748.00	9,282.96

iii. Bank Balances:

Particulars	Currency	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount in Foreign Currency	(₹ in Lacs)	Amount in Foreign Currency	(₹ in Lacs)
Bank Balances	USD	7,346.47	3.32	6,530	3.32

9. Particulars of Managerial Remuneration

(₹ in Lacs)

Particulars	2009-10	2008-09
Salary	575.93	210.04
Employer's contribution to provident fund	0.37	0.37
Medical expenses	0.80	0.44
Director insurance expenses	3.59	14.58
Director's Sitting fees	4.79	4.04

This amount does not include the provision of gratuity for directors, as the same is provided as per the contribution amount determined by the Life Insurance Corporation of India.

10. Borrowing Cost

(₹ in Lacs)

Particulars	2009-10	2008-09
Borrowing cost capitalized during the year	309.96	382.36

11. Government Grants

a) Non-Monetary:

(₹ in Lacs)

Particulars	2009-10	2008-09
Depreciation on assets funded by Government Grants	5.88	5.88
Income recognized from Government Grants	5.88	5.88

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b) Monetary:

(₹ in Lacs)

Particulars	2009-10	2008-09
Income recognized from Government Grants	1,585.21	Nil

12. Employee Benefit Plans

The Company has classified various employee benefits as under:

a) Defined Contribution Plan:

(₹ in Lacs)

Particulars	2009-10	2008-09
(i) Provident Fund	73.98	45.21
(ii) State defined contribution plans		
Employers' Contribution to Employees' State Insurance	7.08	0.45

b) Defined Benefit Plan:

1. Gratuity (Funded)
2. Leave Encashment (Non funded)

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

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

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

i. The disclosures of Gratuity are as under:

Particulars	2009-10	2008-09
1.Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	5%
2.Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	49,71,283	25,40,409
Interest cost	3,97,703	2,03,233
Current service cost	30,82,496	22,69,031
Benefits paid	(1,23,660)	0
Actuarial (gain)/ loss on obligations	25,45,205	(80,136)
Present value of obligations as at end of year	1,08,73,027	49,32,537
3.Table showing changes in the fair value of plan assets		
Fair value plan assets at beginning of year	90,93,875	27,28,764
Expected return on plan assets	8,25,832	3,21,142
Contributions	31,08,941	60,43,969
Benefits paid	(1,23,660)	0
Actuarial (gain)/ loss on obligations	Nil	Nil
Fair value of plan assets at the end of year	1,29,04,988	90,93,875

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Particulars	2009-10	2008-09
4. Table showing fair value of plan assets		
Fair value plan assets at beginning of year	90,93,875	27,28,764
Actual return on plan assets	8,25,832	3,21,142
Contributions	31,08,941	60,43,969
Benefits paid	(1,23,660)	0
Fair value of plan assets at the end of year	1,29,04,988	90,93,875
Funded status	20,31,961	41,61,338
Excess of actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March.)	Nil	Nil
5. Actuarial Gain/ Loss recognized		
Actuarial gain/ (loss) for the year - Obligations	(25,45,205)	80,136
Actuarial (gain)/ loss for the year - plan assets	Nil	Nil
Total (gain)/ loss for the year	25,45,205	(80,136)
Actuarial (gain)/ loss recognized in the year	25,45,205	(80,136)
6. The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	1,08,73,027	49,32,537
Fair value of plan assets as at the end of the year	1,29,04,988	90,93,875
Funded status	20,31,961	41,61,338
Net assets (liability) recognized in balance sheet	(20,31,961)	(41,61,338)
7. Expenses recognized in statement of Profit and Loss		
Current service cost	30,82,496	22,69,031
Interest cost	3,97,703	2,03,233
Expected return on plan assets	(8,25,832)	(3,21,142)
Net actuarial (gain)/ loss recognized in the year	25,45,205	(80,136)
Expenses recognized in statement of profit and loss	51,99,572	20,70,986

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

Particulars	2009-10	2008-09
a) Discount Rate (Per annum)	8%	7.5%
b) Rate of increase in Compensation levels	5%	5.0%
c) Rate of Return on Plan Assets	Nil	Nil
d) Expected Average. remaining working lives of employees in number of Years	25	24

1. Changes in present Value of Obligation

Particulars	2009-10	2008-09
a) Present value of Obligation as at beginning of the Year	14,67,154	0
b). Interest Cost	1,17,372	0
c) Past Service Cost	0	0
d) Current Service Cost	24,72,922	14,67,154
e) Contributions by Plan participants	0	0
f) Curtailment Cost/ (Credit)	0	0
g) Settlement Cost/ (Credit)	0	0
h) Benefits Paid	0	0
i) Actuarial (Gains)/ Loss	(4,77,272)	0
j) Present value of Obligation as at the end of the year	35,80,176	14,67,154

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2. Amounts recognized in the Balance Sheet

Particulars	2009-10	2008-09
a) Present Value of Obligation as at the end of the year	35,80,176	14,67,154
b) Fair value of Plan Assets as at the end of the year	NA	NA
c) (Asset)/ Liability recognized in the Balance Sheet	35,80,176	14,67,154

3. Expenses recognized in the Profit and Loss Account

Particulars	2009-10	2008-09
a) Current Service Cost	24,72,922	14,67,154
b) Past Service Cost	0	0
c) Interest Cost	1,17,372	0
d) Expected Return on Plan Assets	0	0
e) Curtailment Cost/ (Credit)	0	0
f) Settlement Cost/ (Credit)	0	0
g) Net Actuarial(Gain)/ Loss	(4,77,272)	0
h) Employees' Contribution	0	0
i) Total Expenses recognized in the Profit and Loss Account	21,13,022	14,67,154

Note: As Company does not have Plan Assets for leave encashment policy; Disclosures pertaining to plan assets are not shown.

13. Related Party Disclosures

- a) Transactions with Related Parties as specified under Accounting Standard-18 issued by the Institute of Chartered Accountants of India -

Enterprises over which Key Managerial Personnel exercises significant influence.	K S Food Products K S Enterprises Ramesh Chand Sourabh Kumar HUF Sourabh Garg HUF K S Oils Ltd. Group Gratuity Scheme
Key Managerial Personnel on the Board	
Mr. Ramesh Chand Garg	Chairman
Mr. Sanjay Agarwal	Managing Director
Mr. Sourabh Garg	Whole-Time Director
Mr. R. Ganesh	Whole-Time Director
Relatives of Key Managerial personnel	
Mrs. Sheela Devi Garg	Spouse of the Chairman
Mrs. Meeta Garg	Spouse of Whole-Time Director (Mr. Sourabh Garg)
Mr. Shyam Kumar Garg	Brother of the Chairman
Mr. Om Prakash Garg	Brother of the Chairman
Mr. Mohan Lal Garg	Brother of the Chairman

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Other Related Parties/ Affiliate Companies

Mr. Hendry Attan	Director in Subsidiary
Mr. Widodo Nurly Sumady	Director in Subsidiary
Mr. Baey Cheng Song	Director in Subsidiary
Mr. Tapan Baheti	Director in Subsidiary
Mr. Kardi Maryoto	Director in Subsidiary
Mr. Achmad Luthfy	Director in Subsidiary
Mr. Freddy Tedjasamita	Director in Subsidiary
Mr. Jeffrey Lachmandas Mahtani	Director in Subsidiary
Mrs. Rosaline ukin	Director in Subsidiary
Mrs. Shin shuk khan	Director in Subsidiary
Mr. Freddy Setiawan	Commissioner in Subsidiary
Mr. Sandeep Kumar	Commissioner in Subsidiary
P T Borneo Palma Prima	Affiliate Company

b) Particulars of Related Party Transactions

(₹ in Lacs)

Particulars	Volume of Transaction during 2009-10	Volume of Transaction during 2008-09	As at 31 st March, 2010 O/S Receivable	As at 31 st March, 2009 O/S Receivable	As at 31 st March, 2010 O/S Payable	As at 31 st March, 2009 O/S Payable
Loan Given/ (Received Back) -Net of ERF						
Affiliate Companies						
P T Tunas Bersusun Abadi (now became subsidiary w.e.f. 17.11.2009)		243.32		243.32		
P T Bio Diesel Jambi (now became subsidiary w.e.f. 01.01.2010)		298.79		298.79		
P T Borneo Palma Prima	100.59	113.13	596.30	492.02	42.66	38.98
Interest						
Affiliate Companies						
P T Tunas Bersusun Abadi (now became subsidiary w.e.f. 17.11.2009)		6.21		6.21		
P T Bio Diesel Jambi (now became subsidiary w.e.f. 01.01.2010)		5.64		5.64		
P T Borneo Palma Prima	30.84	3.88	34.72	3.88		
Remuneration						
Key Management Personnel						
Mr. Ramesh Chand Garg	48.09	48.09				
Mr. Sanjay Agarwal	42.09	42.09				
Mr. Sourabh Garg	36.09	36.09				
Mr. R. Ganesh	36.09	36.09				
Other Related Parties						
Mr. Hendry Attan	66.70	30.45				

NOTES

forming part of Consolidated Accounts

(₹ in Lacs)

Particulars	Volume of Transaction during 2009-10	Volume of Transaction during 2008-09	As at 31 st March, 2010 O/S Receivable	As at 31 st March, 2009 O/S Receivable	As at 31 st March, 2010 O/S Payable	As at 31 st March, 2009 O/S Payable
Mr. Widodo Nurly Sumady	40.08	17.57				
Mr. Sandeep Kumar	31.60	13.63				
Mr. Baey Cheng Song	1.39	1.01				1.01
Mr. Freddy Setiawan	96.73					
Mr. Tapan Baheti	29.35					
Mr. Kardi Maryoto	5.07					
Mr. Achmad Luthfy	21.79					
Mr. Freddy Tedjasamita	13.89					
Mr. Jeffrey Lachmandas Mathani	107.88					
Mrs. Rosaline Ukin	0.41					
Mrs. Shin Shuk Khan	0.41					
Dividend						
Key Management Personnel						
Mr. Ramesh Chand Garg	107.89	70.61				
Mr. Sourabh Garg	26.08	17.49				
Relative of Key Management Personnel						
Mrs. Meeta Garg	25.52	25.52				
Mrs. Sheela Devi Garg	41.11	41.11				
Mr. Shyam Kumar Garg	0.18	0.18				
Mr. Om Prakash Garg	0.10	0.09				
Mr. Mohan Lal Garg	0.01	0.01				
Other Related Parties						
Ramesh Chand Sourabh Kumar HUF	31.05	31.05				
Sourabh Garg HUF	5.25	5.25				
Amount Received against Convertible Share Warrants						
Key Management Personnel						
Mr. Ramesh Chand Garg		4,000.00				
Mr. Sourabh Garg		1,000.00				
Relative of Key Management Personnel						
Mrs. Sheela Devi Garg	5,635.60		2,832.48			
Mrs. Meeta Garg	5,790.84		1,865.39			
Rent Paid						
Key Management Personnel						
Mr. Ramesh Chand Garg	46.80	7.80			17.35	
Relative of Key Management Personnel						
Mrs. Meeta Garg	4.56	4.56		0.31		
Mrs. Sheela Devi Garg	6.00	6.00	0.66	0.65		
Other Related Parties						
K S Enterprises	20.25	24.00			2.04	
K S Food Products	11.25	12.00			2.04	
Conversion of Equity Share Warrants						
Key Management Personnel						
Mr. Ramesh Chand Garg		8,000.00				
Mr. Sourabh Garg		2,000.00				

NOTES

forming part of Consolidated Accounts

(₹ in Lacs)						
Particulars	Volume of Transaction during 2009-10	Volume of Transaction during 2008-09	As at 31 st March, 2010 O/S Receivable	As at 31 st March, 2009 O/S Receivable	As at 31 st March, 2010 O/S Payable	As at 31 st March, 2009 O/S Payable
Relative of Key Management Personnel						
Mrs. Sheela Devi Garg	2,803.12					
Other Related Parties						
Ramesh Chand Sourabh Kumar HUF	3,625.45					
ESOP Granted (in No.)						
Key Management Personnel						
Mr. Sanjay Agarwal		2,90,000				
Mr. R. Ganesh		1,00,000				
Commission						
Other Related Parties						
K S Enterprises		3.06				3.06
Security Deposit						
Key Management Personnel						
Mr. Ramesh Chand Garg		23.40	23.40	23.40		
Contribution for Gratuity						
K S Oils Ltd. Group Gratuity Scheme	106.94	55.86				

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14. Operating Lease

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

(₹ in Lacs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Rent payable for 1 year	342.21	286.11
Rent payable for 1 to 5 years	681.01	675.87
Rent payable for 5 years and above	107.68	198.72

Notes:

- Rental cost is annually escalated between seven and twenty percentage. Annual escalation for every transaction is considered from the effective date of rent agreement. Except in case of some agreement where the escalation is effective after the execution of the rent agreement.
- On expiration of the above stated lease agreements, the same can be renewed on the basis of mutual consent of the lessor and lessee.
- Additional amount of service tax will be paid on the above stated lease rental amount according to the rates applicable at the time of respective lease rental payments.
- Total lease rental cost recognized in the financial statement is of ₹ 1,325.34 Lacs (previous year ₹ 326.08 Lacs).
- The Company's significant leasing arrangements are in respect of plant and machinery, storage tank and factory premises taken on lease for manufacturing activities at Kota and Ratlam. The arrangements range between 11 months and 10 years generally and are usually renewable by mutual consent of both parties or mutually agreeable terms.

15. Deferred Taxation

(₹ in Lacs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Opening Deferred Tax liability	10,450.20	4,152.15
Add: Difference between book WDV and WDV as per Income Tax Act, 1961	(769.62)	6,368.63
Deferred tax asset as per Section 43B	(7.02)	(4.99)
Closing Deferred tax liability	9,673.56	10,450.20

NOTES

forming part of Consolidated Accounts

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

(₹ in Lacs)

Particulars	Edible Oil		Power		Others		Unallocable		Eliminations		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Revenue												
External Turnover	3,99,252.58	3,12,872.00	3,707.58	1,926.00			288.07	42.00			4,03,248.23	3,14,840.00
Inter Segment Turnover			680.04	506.00			13,153.88		13,833.92	506.00	0.00	0.00
Gross Turnover	3,99,252.58	3,12,872.00	4,387.62	2,432.00			13,441.95	42.00	13,833.92	506.00	4,03,248.23	3,14,840.00
Less: Exciseduty /Service tax recovered	260.46	131.00									260.46	131.00
Net Turnover	3,98,992.12	3,12,741.00	4,387.62	2,432.00			13,441.95	42.00	13,833.92	506.00	4,02,987.77	3,14,709.00
Segment Result Before Interest and Taxes	38,660.79	31,212.00	2,420.98	1,175.00	93.11	100.00	(1,275.00)	(261.00)	9.38		39,890.50	32,226.00
Less: Interest Expenses			1,792.45	1,189.00			14,041.82	6,246.00	198.52	0.00	15,635.75	7,435.00
Add: Interest Income							1,193.59	947.00	189.14	162.00	1,004.45	785.00
Profit Before tax	38,660.79	31,212.00	628.53	(14.00)	93.11	100.00	(4,763.42)	(5,560.00)	0.00	162.00	25,259.20	25,576.00
Current tax							(4,763.42)	2,748.00			(4,763.42)	2,748.00
Fringe benefit tax								43.00				43.00
Deferred tax							758.97	6,310.00			758.97	6,310.00
Profit After tax	38,660.79	31,212.00	628.53	(14.00)	93.11	100.00	(18,127.68)	(14,661.00)	162.00	162.00	21,254.75	16,475.00
Other Information												
Segment Assets	2,96,809.09	1,87,072.00	42,007.76	32,874.00	26.55	13.00	63,034.95	23,154.00	26,643.46	1,535.00	3,75,234.89	2,41,578.00
Segment Liabilities	1,87,335.07	1,14,196.00	27,601.21	17,260.00	10.70		22,997.59	21,458.00	7,045.64	1,535.00	2,30,898.92	1,51,379.00
Capital Expenditure	12,669.80	41,752.00	8,004.98	15,367.00	17.22	15.00	9,166.64	1,790.00			29,858.64	58,924.00
Depreciation/ Amortization	3,225.89	1,468.00	2,060.42	1,208.00	5.00	2.00	43.54	29.00			5,334.85	2,707.00
Non-cash expenses other than Depreciation							391.66	112.00			391.66	112.00
Goodwill on Consolidation							329.00	1,256.00			329.00	1,256.00

NOTES

forming part of Consolidated Accounts

Disclosures:

A. Primary Segment

a) Business Segment:

Segment identified by the Company comprises as under:

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

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

b) Segment Revenue and Expenses:

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

c) Segment Assets and Liabilities:

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

d) Inter Segment Transfers:

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

e) Accounting Policies:

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

B. Secondary Segment: Geographical Segment

Out of the total turnover, majority portion of revenue pertains to domestic turnover; hence Secondary segment has not been disclosed.

17. Earnings Per Share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary/exceptional item. The numbers of shares in computing basic earnings per share is the weighted average numbers of shares outstanding during the period. The numbers of shares used in computing diluted earnings per share comprises weighted averages shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares

NOTES

forming part of Consolidated Accounts

been actually issued at fair value (i.e. the average market value of outstanding shares). Statement showing the computation of EPS is as under:

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Net profit after tax (₹ in Lacs)	21,254.74	16,539.35
Weighted average number of equity shares for Basic EPS (no. of shares in Lacs)	3,881.71	3,427.39
Basic earnings per share (in ₹)	5.48	4.83
Weighted average number of equity shares for Diluted EPS (no. of shares in Lacs)	3,932.61	3,432.50
Diluted earnings per share (in ₹)	5.40	4.82
Face value of share (in ₹)	1.00	1.00

18. Comparative Figures

Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

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

Ramesh Chand Garg
Chairman

Sanjay Agarwal
Managing Director

Place: Delhi
Date: 4th September, 2010

Naveen Jain
GM - Legal & Company Secretary

Information on Subsidiary & Fellow Subsidiary Companies

As directed by the Central Government order Section 212(8) of the Companies Act, 1956.

Sr. No.	Particulars	Currency	K S Natural Resources Pte. Ltd. (Singapore)		K S Agri Resources Pte. Ltd. (Singapore)		K S Oils SDN. BHD. (Malaysia)		P T Buana Mega Sentosa Plantation (Indonesia)		P T Biodiesel Jambi (Indonesia)		P T Mega Artha Persada (Indonesia)		P T Tunas Bersusun Abadi (Indonesia)		P T Luwang Urip (Indonesia)	
			USD	USD	USD	RM	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR
1	Capital	Foreign Currency	4,26,24,400	1,06,50,000	40,40,000	30,33,30,00,000	27,00,00,00,000	5,00,00,00,000	27,00,00,00,000	27,00,00,00,000	27,00,00,00,000	27,00,00,00,000	27,00,00,00,000	27,00,00,00,000	27,00,00,00,000	27,00,00,00,000	2,00,00,00,000	2,00,00,00,000
		Indian Rupees	1,92,40,65,430	48,07,41,000	5,57,30,184	15,04,51,680	13,39,20,000	2,48,00,000	13,39,20,000	13,39,20,000	13,39,20,000	13,39,20,000	13,39,20,000	13,39,20,000	13,39,20,000	13,39,20,000	99,20,000	99,20,000
2	Reserves	Foreign Currency	(15,18,269)	(94,676)	(31,50,034)	(64,64,83,733)	(97,75,57,419)	(1,76,82,47,169)	(1,64,94,61,640)	(1,64,94,61,640)	(1,64,94,61,640)	(1,64,94,61,640)	(1,64,94,61,640)	(1,64,94,61,640)	(1,64,94,61,640)	(1,64,94,61,640)	23,69,482	23,69,482
		Indian Rupees	(6,85,34,663)	(42,73,675)	(4,34,53,457)	(32,06,559)	(48,48,685)	(87,70,506)	(81,81,330)	(81,81,330)	(81,81,330)	(81,81,330)	(81,81,330)	(81,81,330)	(81,81,330)	(81,81,330)	11,753	11,753
3	Total Assets	Foreign Currency	4,70,35,584	1,05,59,260	1,35,01,911	66,28,56,50,206	29,62,13,24,797	6,79,71,48,209	50,32,51,61,641	50,32,51,61,641	50,32,51,61,641	50,32,51,61,641	50,32,51,61,641	50,32,51,61,641	50,32,51,61,641	50,32,51,61,641	2,01,25,06,773	2,01,25,06,773
		Indian Rupees	2,12,31,86,262	47,66,44,996	18,62,53,461	32,87,76,825	14,69,21,771	3,37,13,855	24,96,12,802	24,96,12,802	24,96,12,802	24,96,12,802	24,96,12,802	24,96,12,802	24,96,12,802	24,96,12,802	99,82,034	99,82,034
4	Total Liabilities	Foreign Currency	59,29,454	3,936	1,26,11,945	3,65,991,33,939	3,59,88,82,216	3,56,53,95,378	24,97,46,23,281	24,97,46,23,281	24,97,46,23,281	24,97,46,23,281	24,97,46,23,281	24,97,46,23,281	24,97,46,23,281	24,97,46,23,281	1,01,37,291	1,01,37,291
		Indian Rupees	26,76,55,554	1,77,671	17,39,76,733	18,15,31,704	1,78,50,456	1,76,84,361	12,38,74,131	12,38,74,131	12,38,74,131	12,38,74,131	12,38,74,131	12,38,74,131	12,38,74,131	12,38,74,131	50,281	50,281
5	Investments	Foreign Currency	1,71,02,682	24,77,985	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Indian Rupees	77,20,15,065	11,18,56,243	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Turnover & Other Income	Foreign Currency	2,90,23,873	4,875	8,04,847	2,91,07,70,536	37,23,68,920	4,33,99,92,17,352	2,87,87,481	2,87,87,481	2,87,87,481	2,87,87,481	2,87,87,481	2,87,87,481	2,87,87,481	2,87,87,481	47,98,686	47,98,686
		Indian Rupees	1,37,61,98,865	2,31,153	1,11,02,542	1,41,75,453	18,13,437	2,11,35,76,189	1,40,195	1,40,195	1,40,195	1,40,195	1,40,195	1,40,195	1,40,195	1,40,195	23,370	23,370
7	Profit/ (Loss) before tax-ation	Foreign Currency	(13,95,328)	(14,119)	(14,19,804)	(28,17,97,701)	(1,19,56,63,655)	(2,35,69,60,692)	(2,12,59,36,931)	(2,12,59,36,931)	(2,12,59,36,931)	(2,12,59,36,931)	(2,12,59,36,931)	(2,12,59,36,931)	(2,12,59,36,931)	(2,12,59,36,931)	18,79,658	18,79,658
		Indian Rupees	(6,61,61,012)	(6,69,468)	(1,96,34,611)	(13,72,355)	(58,22,882)	(1,14,78,399)	(1,03,53,313)	(1,03,53,313)	(1,03,53,313)	(1,03,53,313)	(1,03,53,313)	(1,03,53,313)	(1,03,53,313)	(1,03,53,313)	9,154	9,154
8	Provision for tax	Foreign Currency	(2,89,566)	Nil	(4,00,811)	(3,99,52,778)	(26,87,31,043)	(58,87,13,523)	(48,92,92,225)	(48,92,92,225)	(48,92,92,225)	(48,92,92,225)	(48,92,92,225)	(48,92,92,225)	(48,92,92,225)	(48,92,92,225)	4,89,823	4,89,823
		Indian Rupees	(1,37,30,090)	Nil	(55,42,855)	(1,94,570)	(13,08,720)	(28,67,035)	(23,82,853)	(23,82,853)	(23,82,853)	(23,82,853)	(23,82,853)	(23,82,853)	(23,82,853)	(23,82,853)	2,385	2,385
9	Profit/ (Loss) After Tax-ation	Foreign Currency	(11,05,761)	(14,119)	(10,18,993)	(24,18,44,923)	(92,69,32,612)	(1,76,82,47,169)	(1,63,66,44,706)	(1,63,66,44,706)	(1,63,66,44,706)	(1,63,66,44,706)	(1,63,66,44,706)	(1,63,66,44,706)	(1,63,66,44,706)	(1,63,66,44,706)	23,69,482	23,69,482
		Indian Rupees	(5,24,30,874)	(6,69,468)	(55,42,855)	(11,77,785)	(45,14,162)	(86,11,364)	(79,70,460)	(79,70,460)	(79,70,460)	(79,70,460)	(79,70,460)	(79,70,460)	(79,70,460)	(79,70,460)	11,539	11,539
10	Proposed Dividend	Foreign Currency	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Indian Rupees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Daily average Rate		47.4161	47.4161	13.8291	0.00487	0.00487	0.00487	0.00487	0.00487	0.00487	0.00487	0.00487	0.00487	0.00487	0.00487	0.00487	0.00487
	Closing Rate		45.14	45.14	13.7946	0.00496	0.00496	0.00496	0.00496	0.00496	0.00496	0.00496	0.00496	0.00496	0.00496	0.00496	0.00496	0.00496

Note:

Rates of US Dollars have been obtained from www.rbi.org, whereas rates of Malaysian ringgits and Indonesian rupiah have been taken from www.oanda.com all rates are based on daily averages of daily closing prices.

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

Ramesh Chand Garg
Chairman

Sanjay Agarwal
Managing Director

Naveen Jain
GM - Legal & Company Secretary

BALANCE SHEET ABSTRACT

Balance Sheet Abstract and Company General Business Profile

i. Registration Details:

Registration No.	3171	State Code:	10
Balance Sheet Date:	31 st March, 2010		

ii. Capital Raised during the year (Amount in ₹ Lacs)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	527

iii. Position of Mobilisation and Deployment of Fund (Amount in ₹ Lacs)

Total Liabilities (Including Current Liabilities and Provisions)	3,78,815	Total Assets (Excluding Current Liabilities and Provisions)	3,78,815
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Source of Funds:

Paid-Up Capital	4,090	Reserve and Surplus	1,33,948
Equity Share Entitlement Warrant	7,130	Secured loan	1,47,732
Unsecured Loan	Nil	Deferred Tax Liability	9,986
		Other (Deferred Government Grant)	81

Application of Funds:

Fixed Assets	1,14,065	Investment	19,598
Net Current Assets	1,69,304	Miscellaneous Expenditure	Nil

iv. Performance of the Company (Amount in ₹ Lacs)

Turnover (Gross Revenue)*	4,11,048	Total expenditure	3,84,374
Profit before Tax	26,674	Profit After Tax	22,441
Earning per Share	5.78	Dividend Rate (%)	18

* It includes other Income, other operating Income and Increase/ Decrease in stock

v. Generic Names of Three Principles Products/ Service of the Company:

(As Per Monetary Terms)

Item Code No. (ITC Code)	Production description
23069021	Oil cake and Oil cake meal, Solvent extracted (defatted) variety of Mustard Seed
23040020	Meal of soyabean, solvent extracted (defatted)
15162091	Hydrogenated vegetable oil
NA	Power Generation (Wind Mills)

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

Ramesh Chand Garg
Chairman

Sanjay Agarwal
Managing Director

Place: Delhi
Date: 4th September, 2010

Naveen Jain
GM - Legal & Company Secretary



K S Oils Limited

Registered Office: Jiwaji Ganj, Morena – 476 001, (MP)

Phone: +91-7532-300000

Fax: +91-7532-405060 & 300106

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of K S Oils Limited will be held on Thursday, 30th day of September, 2010 at 4.00 p.m at factory office at A. B. Road, Industrial Area, Morena - 476 001, Madhya Pradesh.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year 2009-10.
3. To appoint Director in place of Dr. R. S. Sisodia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Dr. R. P. Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Director in place of Mr. Ramesh Chand Garg, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. BDO Haribhakti & Co., Chartered Accountants, as Statutory Auditor and to fix their remuneration for the year ending 31st March, 2011 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. BDO Haribhakti & Co., Chartered Accountants, be and are hereby appointed as the auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company or any committee thereof.”

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Rajeev Kalra, who was appointed as an Additional Director of the Company during the year holds office till the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a member under Section 257 of the Companies

Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company will not liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** in supersession of the Ordinary Resolution passed at the 23rd Annual General Meeting of the Company held on 20th September, 2008 pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company or any committee of board for borrowing from time to time any such sums of money which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board shall not at any time exceed the limit of ₹ 3,000 Crores (Rupees Three Thousand Crores Only).”

9. To Consider and, if thought fit, to pass with or without modifications, the following as a **Ordinary Resolution:**

“**RESOLVED THAT** company do hereby accord its consent under Section 293(1)(a) of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors or any committee of the board of the Company of all or any of the immovable and movable properties of the Company, wherever situated, both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company in such form and in such manner as the Board of Directors may think fit, together with power to take over the management of the business and concern of the Company in certain events for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/ Banks/ insurance companies or person or persons and all interests, compound/additional interest, commitment charge, costs, charges, expenses and all other moneys payable by the Company to the concerned lenders within the overall limit of ₹ 3,000 crores (Rupees Three Thousand Crores only).”

“**RESOLVED FURTHER THAT** the mortgage/ charge created/ to be created and/or all agreements/ documents executed/ to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors of the Company or any committee of the Board are hereby confirmed and ratified.”

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN TWENTY FOUR HOURS BEFORE COMMENCEMENT OF THE MEETING.

2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Board Meeting is annexed hereto.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books shall be closed from **26th September, 2010 to 30th September, 2010** (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting. The Dividend on Equity Shares, if declared at the Meeting will be paid to those Members, whose names appeared on the Company's Register of Members on **30th September, 2010**. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by depositories as at the end of business on 29th September, 2010.
7. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, Members who have not encashed dividend warrant(s) for the year 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 so far, are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrars and Transfer Agents, M/s. Ankit Consultancy Private Limited. Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates they first became due for payment and the same is transferred to the IEPF and no payment shall be made in respect of any such claims.

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

ITEM NO. 7:

Mr. Rajeev Kalra is a Director nominated by the Citigroup Venture Capital International Growth Partnership Mauritius Limited and others, was appointed as an Additional Director of the Company on 2nd June, 2010.

As per the provisions of Section 260 of the Companies Act 1956 ("the Act"), the above Director hold the office of Director only up to the date of ensuing Annual General Meeting of the Company and are eligible for appointment. The Company has received notices under Section 257 of the Act, proposing his candidature for the office of Director along with the requisite deposit.

The details and brief resume regarding the persons proposed to be appointed as Director have been given in the annexure attached to the Notice. In view of the expertise and experience of Mr. Rajeev Kalra, his appointment as Director of the Company is recommended by the Board.

Mr. Rajeev Kalra is being appointed as Director not liable to retire by rotation.

Except the director being appointed, none of the other Directors of the Company is, in any way, concerned or interested in the Resolution.

The Board recommends the resolution set forth in Item No. 7 for the approval of the members by way of ordinary resolution.

ITEM NO. 8:

Your Board considered that the existing borrowing powers of ₹ 2,000.00 Crores (Rupees Two Thousand Crores only) is insufficient in view of the Company is going forward to enhance its existing capacity to manifold. Therefore, the Company may require additional borrowed funds for diversification and expansion policy and enhanced working capital requirement of the Company and also to eliminate the gap between required funds for new plants and projects and additional fund available in the Company. And therefore it is envisaged that the Company may require to borrow more funds for implementation of the aforesaid policy and it is therefore proposed to increase the said limit up to ₹ 3,000.00 Crores (Rupees three Thousand Crores only).

As per Section 293(1) (d) of the Companies Act, 1956 the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Therefore the consent of the members' is sought through the resolution set forth in Item No. 8.

None of the Directors of the Company is concerned and interested in the resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the members by way of ordinary resolution.

ITEM NO. 9:

In order to borrow loans from Banks, Institutions, etc. the Board needs authorisation to mortgage/hypothecate the assets of the Company as security/collateral security. In order to mortgage or hypothecate the assets of the Company the consent of the shareholders in the General Body Meeting is required under Section 293(1)(a) of Companies Act, 1956 authorising the Board of Directors with necessary powers.

The Board therefore recommends the proposed resolution.

None of the Directors of the Company are interested or concerned in any way in the resolution.

The Board recommends the resolution set forth in Item No. 9 for the approval of the members by way of ordinary resolution.

Additional information in respect of Directors seeking re-appointment at the Annual General Meeting:

Name	Dr. R. S. Sisodia Non-Executive Independent Director
Date of Birth	6 th April, 1946
Qualification	M A, LLB. PhD
Expertise	Dr. R. S. Sisodia has varied and extensive experience in the field of corporate legal matters and marketing of Agro products and commodities. He has worked in various senior positions.
Directorships held in other Companies.	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company.	Member:- Remuneration Committee, Compensation Committee, Audit Committee
Name	Dr. Rajinder Pal Singh Non-Executive Independent Director
Date of Birth	19 th January, 1952
Qualification	B.Sc. (Chemical Technology), Oil Technology, M.Tech , Ph.D. (Oil Technology)
Expertise	Rajinder Pal Singh is the Director of Harcourt Butler Institute, Kanpur. He is a leading professor and academic authority in South East Asia on oilseeds and has been involved with various research programs to increase the quality of seeds and thereby increase the yield and output. His Ph. D. thesis on 'Studies on Rice bran Oil Processing' is a great source of knowledge and has won wide recognition. Dr. Singh has over three decades of teaching, research and industrial experience. He holds a Ph.D. in Oil technology and is considered as one of the thought leaders in this arena. He has been a Co-ordinator, World Bank Project, Technical Education Quality Improvement Programme and is a Member, Selection Committee, National Dairy Development Board (NDDB), Anand, (Gujarat).
Directorships held in other Companies.	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company.	Nil
Name	Mr. Ramesh Chand Garg
Date of Birth	1 st May, 1959
Qualification	Graduate
Expertise	He has more than 30 years experience in the field of edible oil, Agro product and commodity exports. He has been the driving force in launching the Company's product under brand "Double Sher" and "Kalash".
Directorships held in other Companies.	K S Oils SDN. BHD., Malaysia K S Natural Resources Pte. Ltd. K S Agri Resources Pte. Ltd. P T Buana Mega Sentosa P T Bio Diesel Jambi P T Tunas Bersusan Abadi
Chairman/ Member of the Committee of the Board of Directors of the Company.	Chairman:- Management & Finance Committee

Name	Mr. Rajeev Kalra
Date of Birth	25 th December, 1968
Qualification	CA, CFA
Expertise	<p>Rajeev Kalra is a Director at CVCI's office in Delhi NCR and focuses on private equity investments in India. Rajeev has about 18 years of experience in the financial services industry, of which about 14 years have been in the private equity investment management.</p> <p>Previously, Rajeev was a key member and Managing Director at AIF Capital's India office with similar responsibilities. And earlier as the head of the India office of HSBC Private Equity at Mumbai, Rajeev focused on identifying and evaluating private equity investment opportunities as well as strengthening the operations of portfolio companies. He started his career with SBI Capital Markets and handled a range of investment banking and corporate finance assignments.</p> <p>Rajeev is a professionally qualified CA and a CFA. He graduated in honors from Shri Ram College of Commerce, University of Delhi and has several academic distinctions to his credit.</p>
Directorships held in other Companies.	Jai Balaji Industries Limited Spentex Industries Limited
Chairman/ Member of the Committee of the Board of Directors of the Company.	Nil



K S Oils Limited

Registered Office: Jiwaji Ganj, Morena – 476 001, Madhya Pradesh.

ATTENDANCE SLIP

Name and Address of Member

I, hereby record my presence at the 25th Annual General Meeting held on 30th day of September, 2010 at 4.00 p.m. at Factory office at A. B. Road, Industrial Area, Morena - 476 001, Madhya Pradesh.

Full Name of the Shareholder (in Block Letters).....

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

No. of Shares held.....

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

*Delete whichever is not applicable

Note:

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

Signature of the attending Member/ Proxy:

.....



K S Oils Limited

Registered Office: Jiwaji Ganj, Morena – 476 001, Madhya Pradesh.

PROXY FORM

Folio No.....

No. of Shares held.....

DP ID No.

Client ID No.....

I/Weofin the district ofbeing a Member/Members of K S Oils Limited, hereby appoint Mr./Ms.

..... of in the district of.....

or failing him/her.....Mr./Mrs.....of.....in the district of

.....as my/our proxy to attend and vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company to be held on 30th day of September, 2010 at 4.00 p.m. at at Factory office at A. B. Road, Industrial Area, Morena - 476 001, Madhya Pradesh and at any adjournment thereof.

Signed thisday of2010

Affix a Revenue Stamp of ₹ 1/-

Note:

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

Signature of Shareholder



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KS Oils Limited

Registered Office:

Jiwaji Ganj, Morena - 476 001, Madhya Pradesh, India.

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

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