



## Government's move to bring down duty on edible oils to zero levels, a step in the right direction to curb inflation

- The government's move will help in curbing inflation and bring down the prices of edible oils to affordable levels for the Indian consumers
- Indian consumers will benefit between Rs. 3/- to Rs. 5/- per kilo; soyabean prices will fall the maximum as prices will reduce in various edible oils like mustard, soyabean and palm oil
- Global commodity prices especially for soyabean have seen weakening internationally which is in sync with the government's decision

**21-March-08: K S Oils**, one of India's leading integrated edible oil company and the leader in the Packaged Mustard Oils business, today hailed the Government's move in further reducing import duties of crude and refined edible oils to near zero levels. The company feels that it is a right direction for curbing inflation and making edible oil consumption affordable to Indian consumers.

Giving a green signal to the Central government's move, **Ramesh Chand Garg, Chairman, K S Oils** said, "The government's decision of reducing import duty on edible oils to zero levels will help the country fight inflation on a sustained basis. At K S Oils we feel that the Indian consumers and working class will tremendously benefit from this move as rising prices in the past few months was making edible oil consumption unaffordable and out of reach for many Indian consumers."

"On a macro-economic perspective, rising inflation resulting in dearer food items is not a good sign for any economy. With India poised to register unprecented GDP growth, inflation, if not contained, will spoil the party. The government's move will help bring down prices in the next 6-12 months."

A significant point for the duty cut this time has been that it is in sync with global fall in prices in commodity and edible oil sector, thus, benefiting the Indian industry and consumers in the true way. With the recent USDA announcement that soyabean planting will be up by 18% amongst US farmers, soyabean futures fell significantly at CBOT. With commodity futures prices fell significantly for soyabean yesterday, it is an indication of further fall in prices internationally for soyabean which will have a similar effect in India.

The duty reduction will result in price reduction of Rs. 3-5/- per kilo. Soyabean oil will see the maximum reduction of Rs. 5/- followed by mustard of Rs. 3/- which will be passed on to the consumers with immediate effect. The company's procurement cost for raw material will come down similarly and the company will see increased demand and consumption.

