



Press Release

K S Oils announces the acquisition of edible oil refinery at Haldia Port for Rs. 125 crores

- Company's first refinery in East India; thus giving easy access and logistics efficiencies in one of its key markets of North East, WB, Bihar, Jharkhand, Orissa and UP
- The refinery will give a boost to the company's current refined oil strategy by adding additional capacity of 500 metric tonnes per day; with six plants in Central and North India, this refinery will compliment the East India market
- Will give a boost to the company's refined oils product strategy – the refinery will produce KS Refined and KS Gold Refined oils for the eastern markets

Mumbai, November 25, 2008: K S Oils, one of India's leading integrated edible oil led FMCG Company today announced the acquisition of a port based refinery in Haldia Port in East India. The acquisition will jumpstart the company's effort in setting up a manufacturing base in Eastern India, one of the key markets of K S Oils. The refinery will produce refined oil under the current brand name of KS Refined and KS Gold Refined for consumers in North East, West Bengal, Orissa, Bihar, Jharkhand and Uttar Pradesh.

The company acquired the refinery plant for a consideration of Rs. 125 crores from Ambo Agro Products Limited, a leading agro player headquartered in Kolkata. The plant has a refining capacity of 500 metric tonnes per day (tpd) with a vanaspati unit of 150 tpd and is located within the Haldia Port with a direct pipeline access to ships. Haldia Port is part of Kolkata Port Trust and the leading sea-borne trade gateway for East India. It has the most sophisticated port facilities with extensive storage facility for diverse cargo and docking of large ships, thus facilitating international trade.

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Commenting on the acquisition, **Sanjay Agarwal, MD, K S Oils** commented, “The acquisition is part of our strategy to have a manufacturing presence in one of our key markets of East India. With the company’s FMCG focus of becoming a pan India edible oil player, this refinery will facilitate logistics efficiencies and significantly collapse the time to market for our consumers in East India. With 6 plants in north and central India and this facility in East, we are confident of serving the health preferences of every Indian in each and every part of this country.”

Previous to this acquisition, the company imported crude oil at the west coast, transported them to its plants in north and central India and again transported the finished products to its main markets in north and east India. With this acquisition, the company plans to import substantial part of crude edible oil requirements directly to Haldia and then transport the refined oil products to key markets in Eastern India. This will significantly reduce the transportation and logistics costs and also make available KS refined oil products in a quicker time.

The company is bullish on the demand for edible oil especially in the refined oil segment. Since last year, import of crude refined oil has increased significantly and the consumption has increased. The company’s strategy to up its production capacity in the refined oil segment is in keeping with this new and increased consumer demand.

The acquisition is being funded through a mix of long term debt and internal accruals. **ICICI Bank** acted as the financial advisor to the deal, PricewaterhouseCoopers advised on the taxation matters and the due diligence was done by **KPMG** and law firm **Rajani Associates**.

With this new plant in West Bengal, the company’s refining capacity will go up significantly and will mark company’s entry into the imported edible oil segment. The company posted a turnover of Rs. 2,040 crores in FY07-08 with a bottom-line of Rs. 120 crores. A leader in the mustard oil segment, the company has an entire bouquet of product offerings across all edible oil segments – mustard, soybean, palm and other refined oils.

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**About KS Oils Limited (www.ksoils.com):**

K S Oils Limited is a leading integrated edible oil FMCG company with product range constituting mustard and refined oils. The company is headquartered in Morena in Madhya Pradesh and the promoters have a history of over 100 years in the commodities industry. It is listed in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and is the largest processor of mustard seeds in India. Managed by a team of leading professionals with rich industry experience and backed by the promoters - The Garg family - with a consistent track record of performance, the company is today amongst the top 5 edible oil companies in India and is poised to become a global player in the years to come.