

Presentation on K.S. Oils Limited

Strictly Private & Confidential



Salient Features

- ✦ *Branded edible oils is emerging as one of the high growth segments in Indian FMCG industry*
 - The edible oils market size is estimated at Rs 675 bn of which mustard edible oil constitutes Rs 135 bn. Market estimated to grow at 6% p.a.
 - The branded segment (~ 15% of the total market) is expected to grow by 20% p.a. in the next few years.

- ✦ *K S Oils is well-positioned to capture this opportunity*
 - Largest rapeseed crusher in India enjoying market leadership in the mustard oil segment
 - Strong brands in crude mustard oil, refined edible oil and vanaspati
 - Strong distribution network in the mustard oil consuming regions
 - Increasing focus on retail packs and pouches

- ✦ *Wide product range to suit local tastes and preferences*
 - Crude and refined mustard oil (depending on taste preferences), refined soyabean oil and vanaspati
 - Other refined edible oils like soyabean and sunflower
 - USPs over other brands due to its unique high pungency blends

Key Highlights

- ✦ *Quality manufacturing facilities*
 - Largest crushing capacity in India -1,475 MT/day
 - Integrated facilities for crushing, refining, solvent extraction and vanaspati
 - Captive power generation and in -house packaging unit

- ✦ *Strong distribution network*
 - Strong presence in mustard oil consuming regions (north, central, east and north-east)
 - Proposed expansions into new markets and organised retail formats with refined edible oil products

- ✦ *Strong management with decades of experience in commodities*
 - Part of an established business house belonging to the Garg family from Morena, Madhya Pradesh dealing in agro based products for the last 150 years.
 - Present management includes representatives from the fifth generation of the family

Funds Raised through Private Equity-Dec-06.

- ✦ The Company has raised US\$ 20 mn through a committed private placement of equity shares and warrants of the Company to CITIGROUP VENTURE CAPITAL INTERNATIONAL GROWTH PARTNERSHIP MAURITIUS LTD.
- ✦ The funds are proposed to be used for:
 - Acquisition of manufacturing facilities and refurbishment/modernisation of the same
 - Expansion/modernisation of the current manufacturing and packaging facilities
 - ✦ Wind Turbines
 - ✦ Facility to manufacture bio- diesel from waste fatty acids

Funds Utilisation	Rs Mn
Acquisition of identified oil mills, Refineries and expansion, modernisation of current and proposed capacities and bio diesel	855
Margin for Wind Turbines	45
Total	900



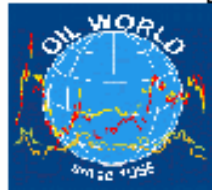
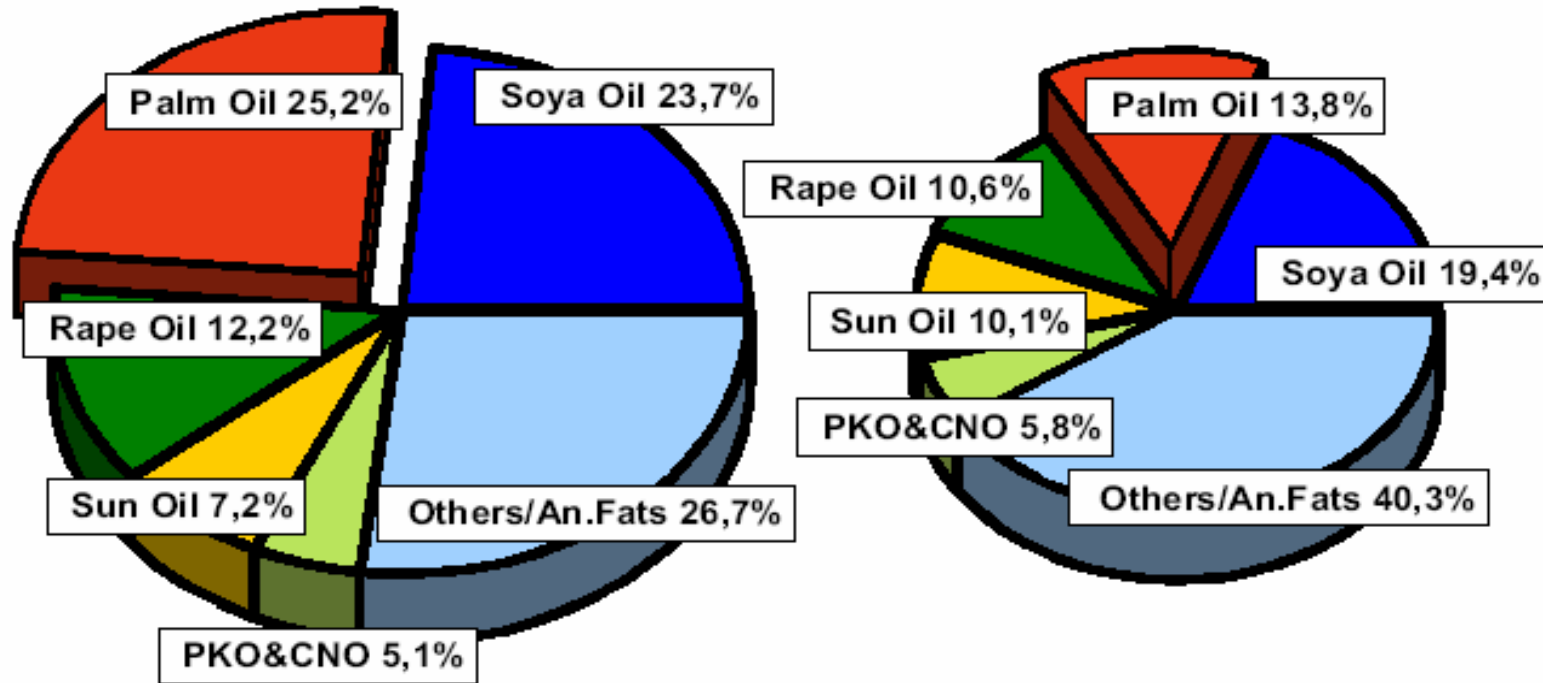
Industry Dynamics



World Consumption of 17 Oils & Fats

2006/07 - - 154.0 Mn T

1990/91 - - 81.8 Mn T

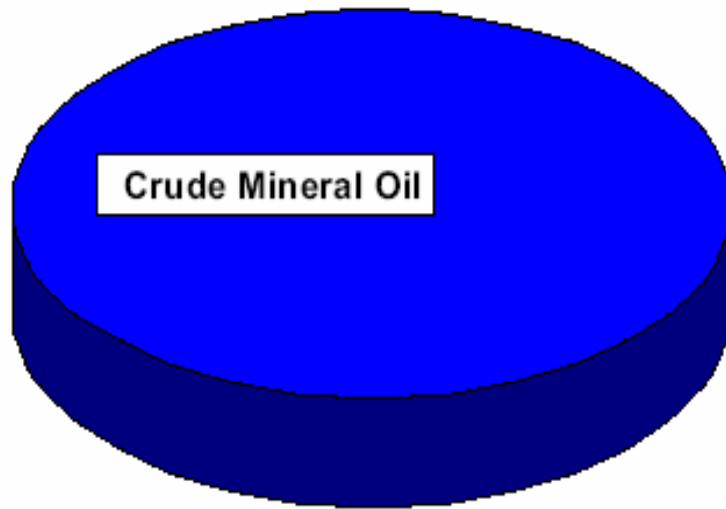


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World Use of Crude Mineral Oil vs. Veg Oils/ Animal Fats in 2005/06 in Mn T

4252 Mn T



145 Mn T

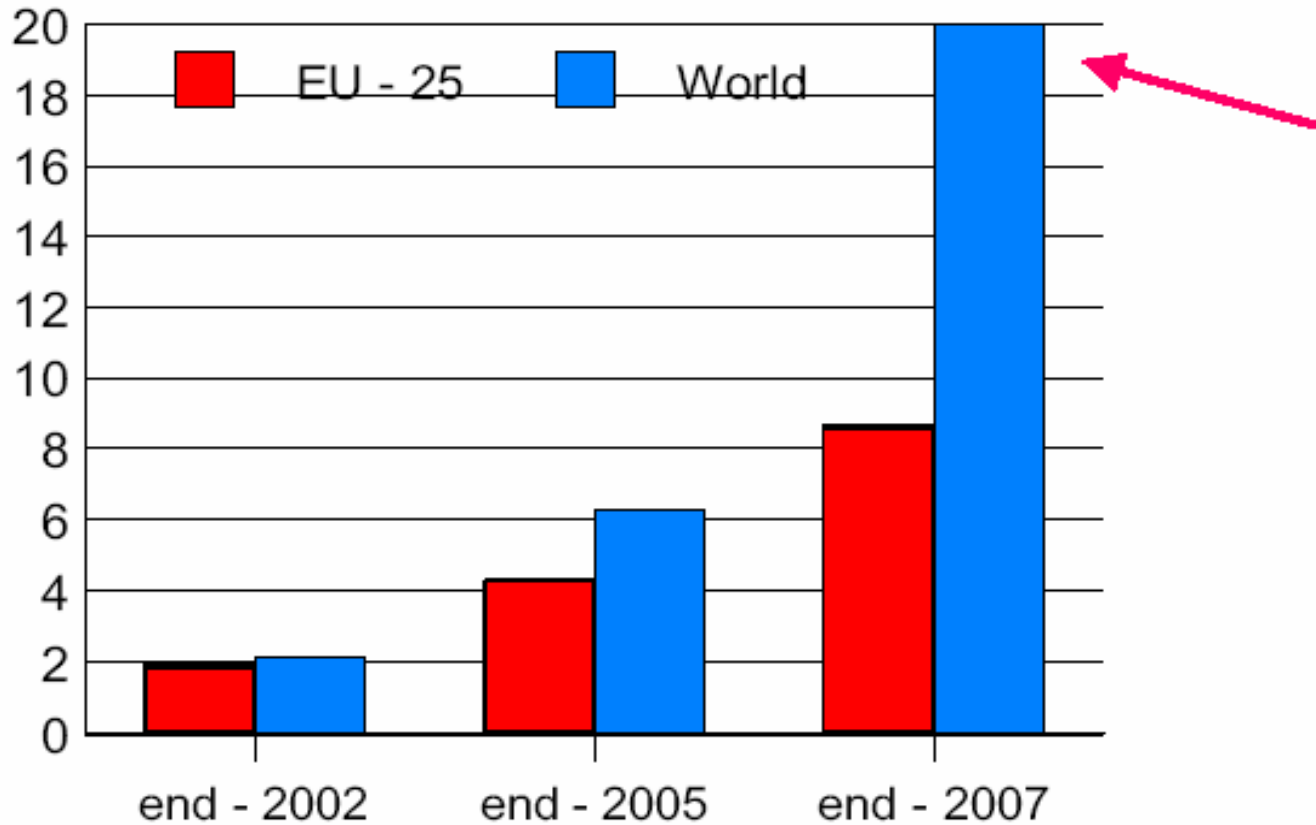


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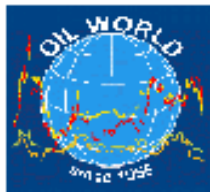
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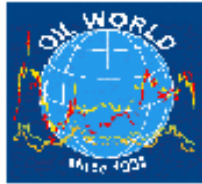
Big Demand Wave for Veg Oils Coming Soon - - as Biodiesel Production Capacities are set to increase by about 14 Mn T in the 2 years until end-2007

Booming Global Biodiesel Capacities (Mn T)



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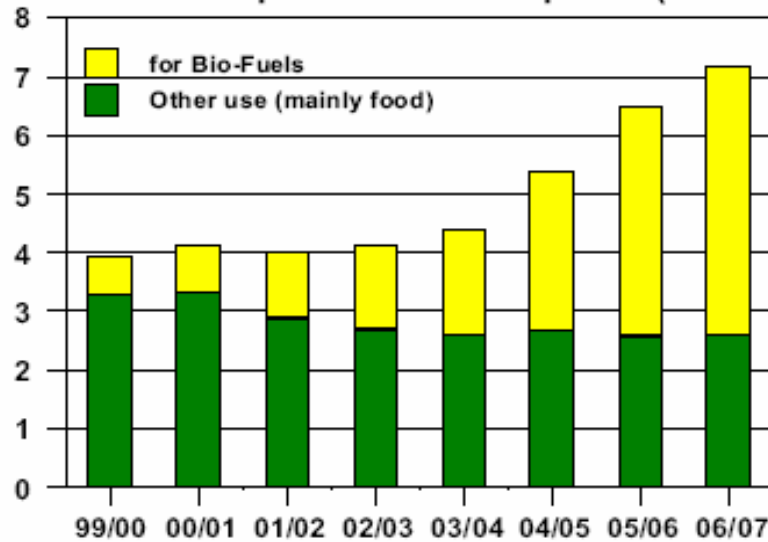




EU-25 : Estimated Biodiesel Capacities

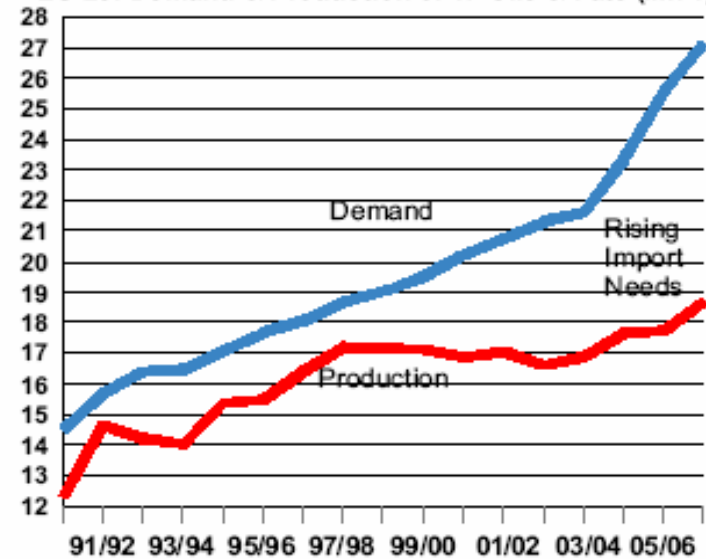
	end - December					
(Mn T)	2007F	2006F	2005	2004	2003	2002
Germany	3.80*	2.45*	1.95	1.20	1.06	0.84
France . . .	1.35*	0.75*	0.53	0.50	0.50	0.45
Italy90*	0.85*	0.83	0.60	0.42	0.34
Others . . .	2.55*	1.65*	0.97	0.53	0.31	0.27
EU-25 . . .	8.60*	5.70*	4.28	2.83	2.29	1.90

EU-25: Rape Oil Consumption (Mn T)



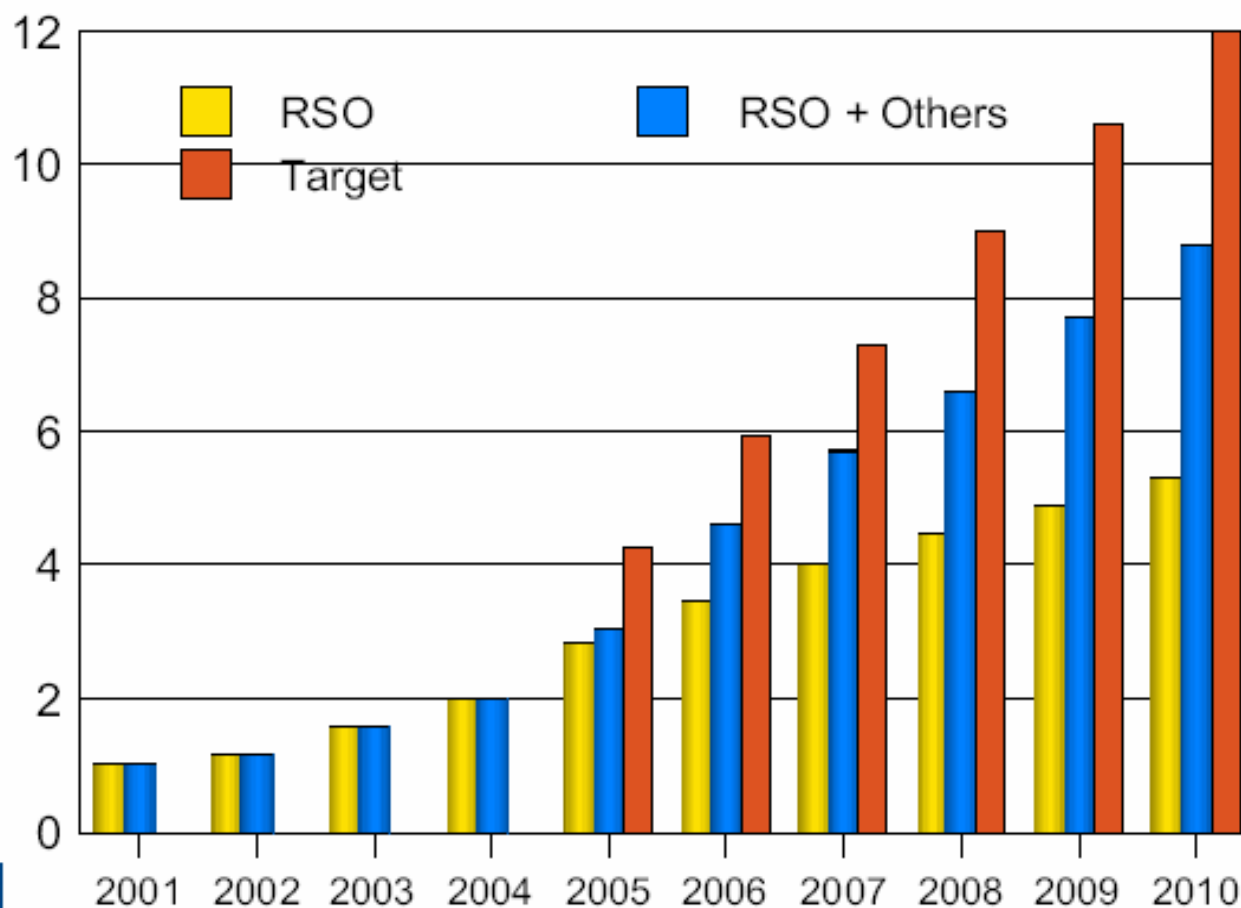
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EU-25: Demand & Production of 17 Oils & Fats (Mn T)



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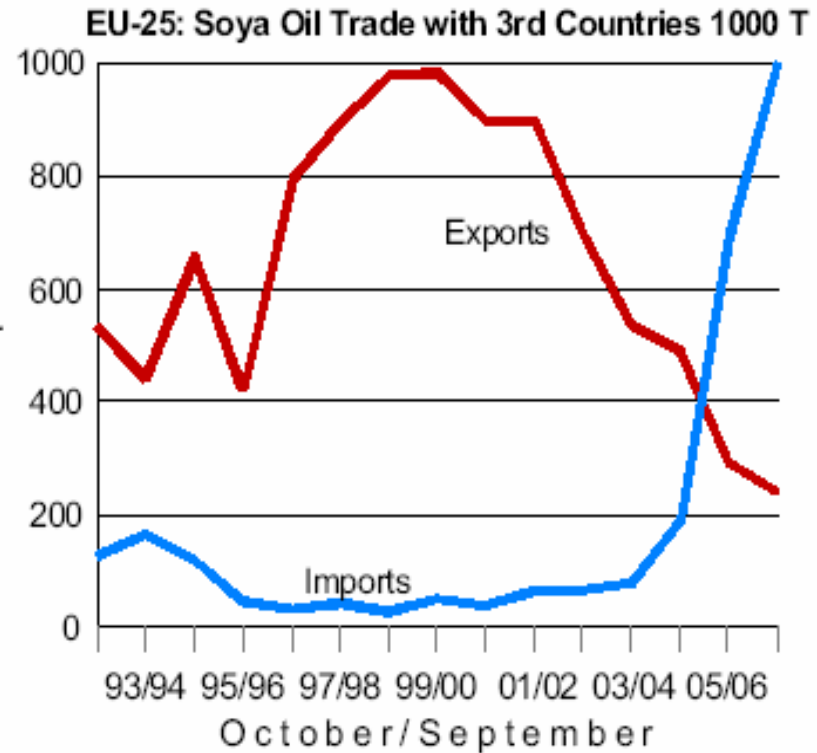
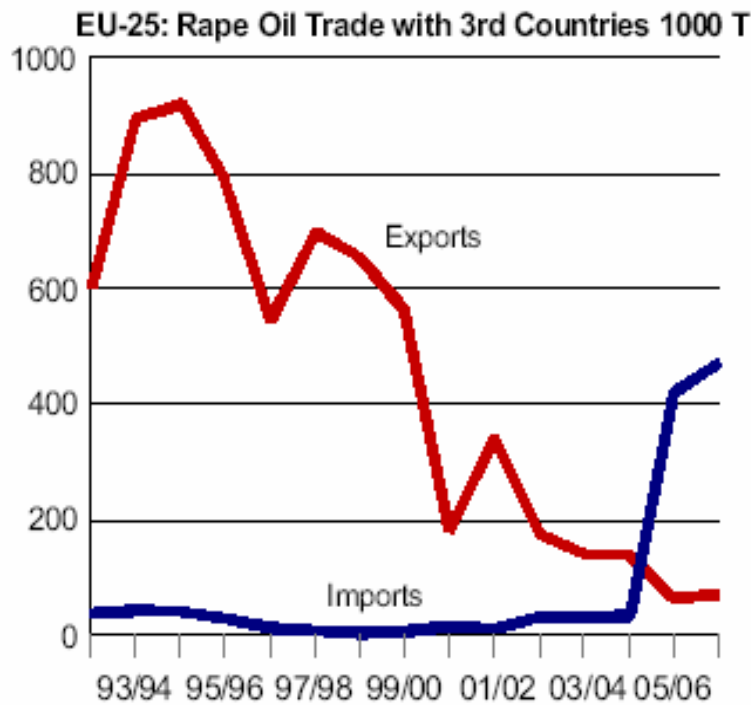
Biodiesel Output and Targets in the EU-25 (Mn T)



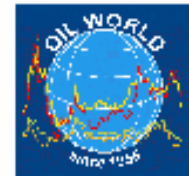
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The EU-25 -- now a net importer of soya & rape oils

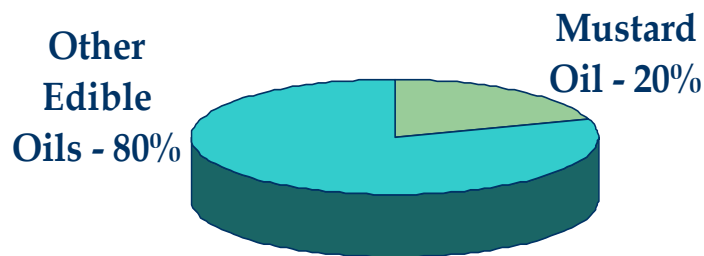


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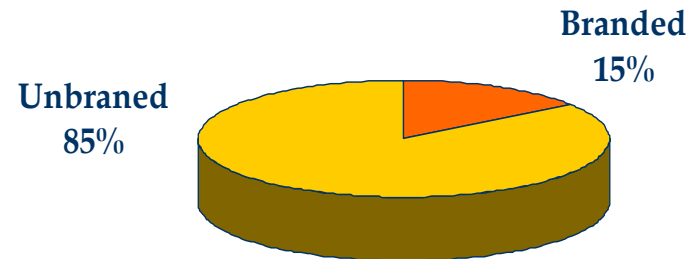


Macroeconomic situation

Edible Oils market - Rs 675 bn



Overall growth rate - 5-6% p.a.



Branded Edible Oils growth rate - 20% p.a.

- ✦ Indian edible oil economy is world's fourth Largest after USA, China and Brazil (India accounts for 7% of world oilseeds & oilmeal production and 10% of world consumption of edible oil)
- ✦ 2nd largest import bill item for India - favourable government policies for domestic industry by way of high import duties on imported edible oils
- ✦ Increasing health consciousness, preference for packaged products (hygiene factors and avoidance of any adulteration) and low-saturated fat cooking mediums
- ✦ Edible oil demand in the year 2015 is expected to be 21.3 million tonnes (from 11.67 mn tonnes currently)

COOIT's Estimates of India Oilseeds Crop for 2006-07

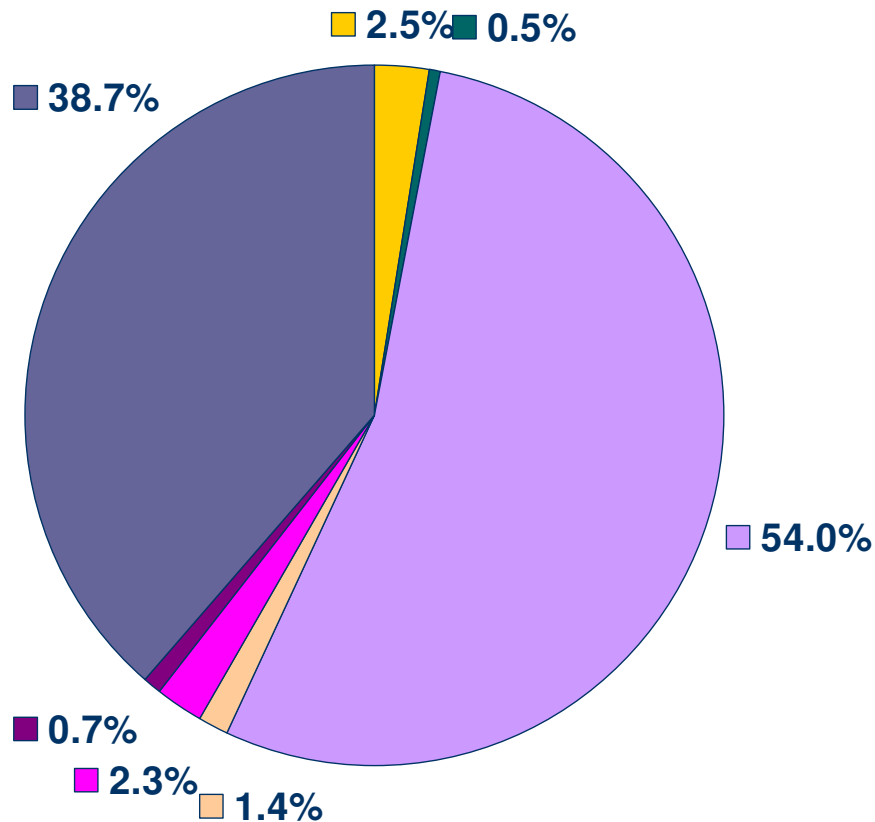
Sr. no.	Oilseeds/ Solvent Extracted Oils	Oil Recovery %	Oil - Seeds	Marketable Surplus For Crushing & Oil Availability		Total Marketable Surplus	Total Oil Availability
				Kharif	Rabi		
				(Summer)	(Winter)		
							in M n. T
I.	OILSEEDS						
1	Groundnut (inshell)	40	5.35	0.85	1.00	1.85	0.74
2	Soybean	17	7.66	6.90	-	6.90	1.17
3	Rape/Mustard/Toria	33	6.22	0.20	5.82	6.02	1.99
4	Sunflower	35	1.60	0.53	1.06	1.59	0.56
5	Sesame	45	0.61	0.10	0.21	0.32	0.14
6	Castor	45	0.78	0.78	-	0.78	0.35
7	Niger	30	0.07	0.03	-	0.03	0.01
8	Safflower	30	0.19	-	0.18	0.18	0.05
9	Linseed	43	0.19	-	0.19	0.19	0.08
	SUB TOTAL		22.67	9.39	8.46	17.86	5.09
II.	OTHER OILSEEDS						
10	Cottonseed	12	8.99	7.49	-	7.49	0.90
11	Copra	65	0.62	0.62	-	0.62	0.40
	SUB TOTAL		9.61	8.11	-	8.11	1.30
III.	SECONDARY SOURCE (Rice Bran, Oil Cakes and other Minor Oilseeds)						1.33
	Grand Total		32.28	17.50	8.46	25.97	7.72

India's Edible Oil Consumption

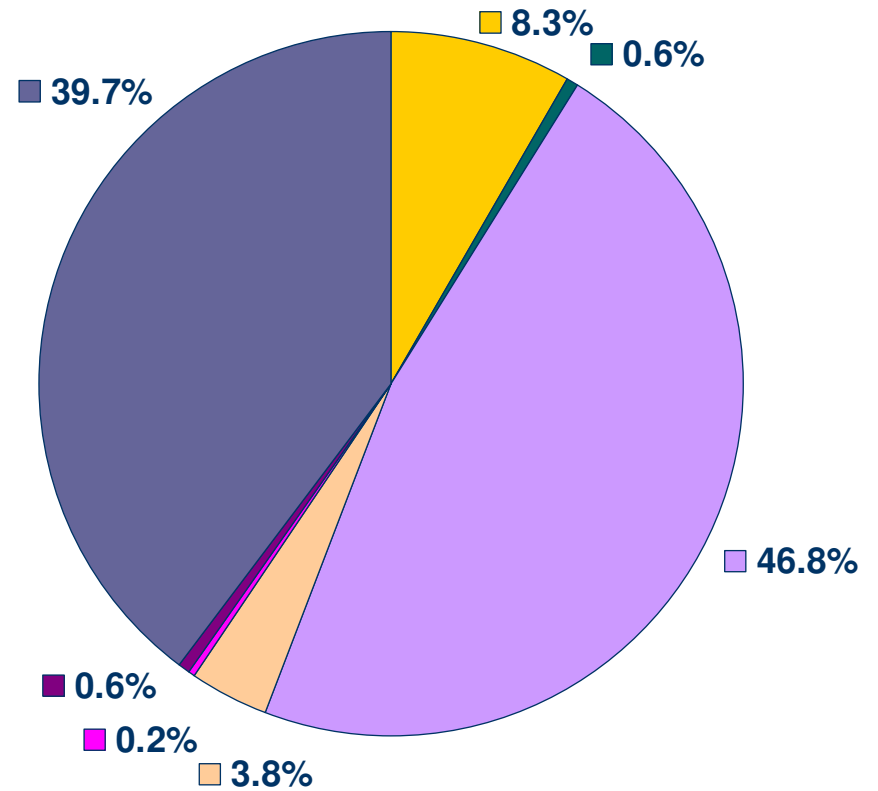
- ✦ Consumption in India during Nov.06 to Oct.07 is estimated to be 12.8 Mn T.
- ✦ The Local Oil production in India as per COOIT's report is estimated around 7.72 Mn T.
- ✦ India will have to import 5.5 Mn. T to meet the shortfall.
- ✦ The imported oils mainly constitute Crude Palm from South-East Asia and Soya Degummed Oil from South America.

Imports of Edible & Non-Edible Oil by India

Nov.05 to Oct.06 - 4.42 Mn T



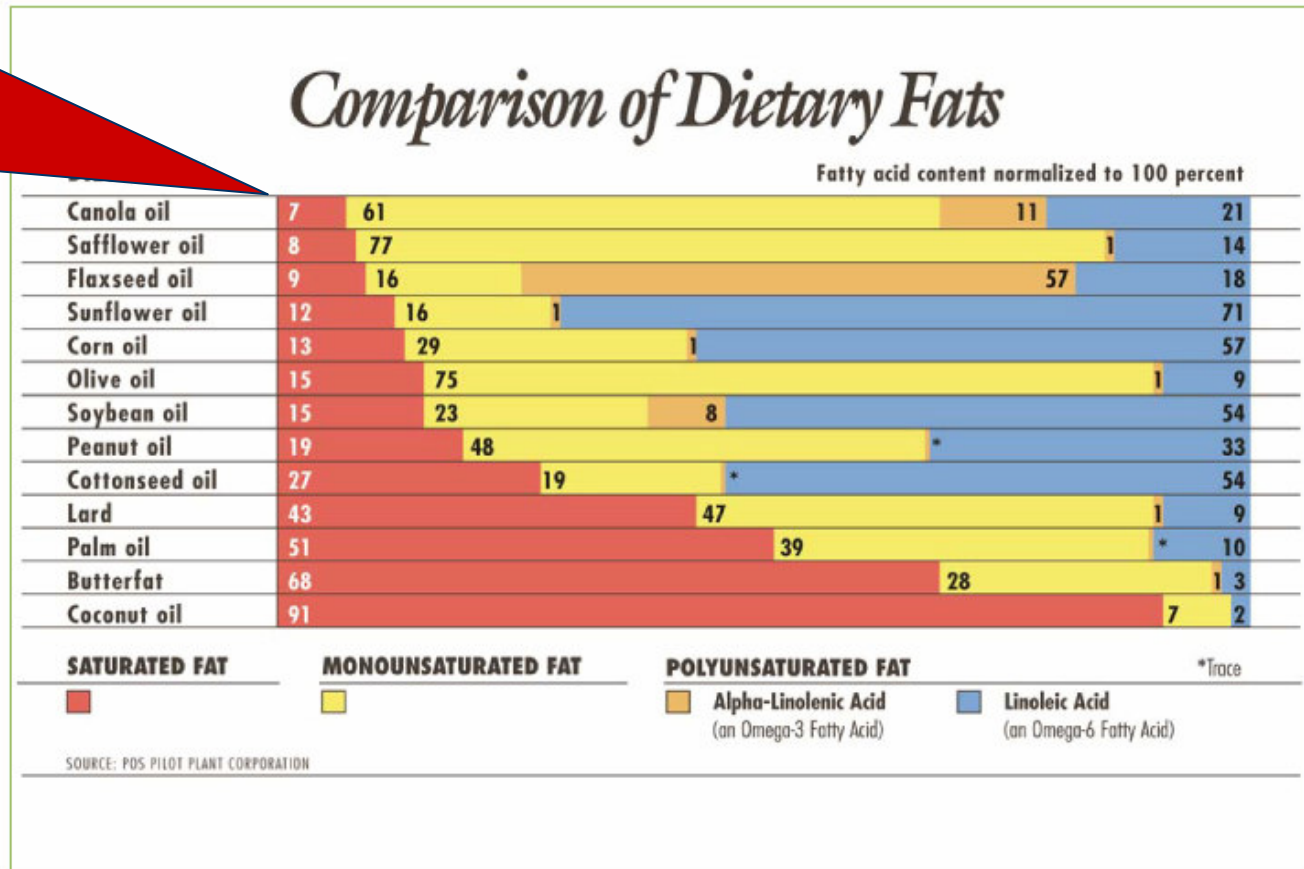
Nov.04 to Oct.05 - 5.04 Mn T



■ RBD Palmolein	■ Refined Soyabean Oil	■ Crude Palm Oil
■ Crude Olein	■ Sunflower Oil	■ Crude Palm Kernel Oil
■ Soyabean Oil (Degummed)		

Mustard Oil: 'The Heart-friendly Oil'

Mustard Oil has the least amount of saturated fat as compared to all other edible oils



Indian Edible Oil Industry: Consumption

- ✦ Regional consumer preferences :
 - Mustard in north-east, central, north and east
 - Groundnut in the west
 - Palm in the central and south
 - Soyabean in north and central
 - Sunflower is largely consumed in urban India, in relatively small quantity.



Key Players- Edible Oils

Company	Brand	Turnover Rs Mn (FY06)	EBITDA % (FY06)	PAT % (FY06)
K S Oils	Double Sher, Kalash, KS Gold	6,080	4.5% (FY07: 8.71%)	2.5% (FY07: 5.68%)
Ruchi Soya	Nutrela , Mandap and Ruchi Gold	49,526	3.0%	1.1%
Agro Tech	Sundrop (premium), Crystal, Rath	9,379	1.3%	0.5%
Vijay Solvex	Scooter	3,270	2.5%	0.9%
Marico	Saffola, Sweekar	2,820		
Sanwaria Agro	Sulabh	2,201	3.5%	1.7%
Adani Wilmar	Fortune, Fortune Kachi Ghani	1,100		

Key Players and Brands: Mustard Edible Oil

Company	Brand	Remarks
K S Oils	Double Sher, Kalash, KS Gold	Largest player in the mustard edible oil market (<i>crushing capacity of 1,475 MT/day</i>)
NDDDB	Dhara	GCMMF (Amul) is the sole selling agent for Dhara and markets the brand through its wide distribution network
Agro Tech	Sudham	Refined mustard oil which is marketed in the Eastern market
Bunge	Dalda	Recently launched refined mustard/soyabean edible oil in Eastern market
Shri Hari Industries	Engine	Established brand in Rajasthan
Vijay Solvex	Scooter	Acquired the brand 3 years ago; crushing capacity of 225 MT/day
Adani Wilmar	Fortune Kachi Ghani	New entrant in crude mustard oil (third party manufacturing)
Ruchi Soya	Mandap and Ruchi Gold	Foray in the last 12-18 months in crude and refined mustard oil (third party manufacturing)

K.S. Oils - Background



The Promoters

**Mr. Ramesh
Chand Garg**
Chairman

Mr. Ramesh Chand Garg belongs to the fifth generation of the Garg family. He has vast experience in business of agriculture commodities, project expansion, sales and distribution.

**Mr. Sourabh
Garg**
Executive
Director

Mr. Sourabh Garg, is from the promoter family, and is actively involved in expansion of retail presence of the Company throughout India and also looks after the product expansion initiatives.

The Promoters are engaged in the Edible oils business only

Industry Standing

“The Owners are progressive, honest and honourable unlike most players in the mustard oil segment.”
- Dorab E Mistry (Director, Godrej International Ltd, UK)

“K S Oils’ Management is pro-active and enjoys high reputation in the trade.”
- Sandeep Bajoria (Promoter, Bajoria Fats & Protiens Ltd and President of COOIT)

“The Company is known for its aggressive approach to expansion”
- B.V.Mehta (Executive Director, Solvent Extractors Association)

K S Oils is Ranked 8 out of Top 400 SmallCap Companies
- Dalal Street Journal

Board of Directors

✦ Ramesh Chand Garg	–	Chairman
✦ Sanjay Agarwal	–	Managing Director
✦ Sourabh Garg	–	Executive Director
✦ P R Srinivasan	–	Director
✦ R Ganesh	–	Executive Director
✦ P K Mandloi	–	Independent Director
✦ Dr. R S Sisodia	–	Independent Director
✦ B N Singh	–	Independent Director

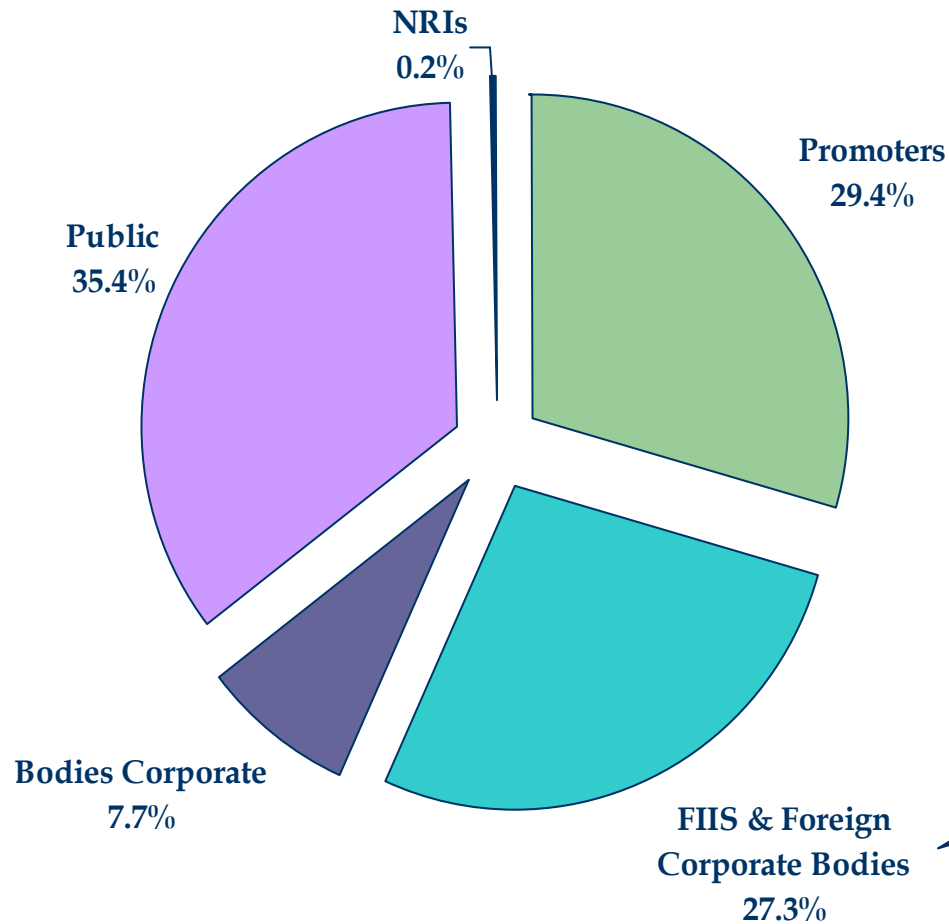
Management Team

Name	Designation	Profile
Sanjay Agarwal	Managing Director	Has over 20 years of experience in this sector and is involved in Finance and Administrative matters of the Company. He is the main driver in the Company's expansion & growth as well as acquisition of manufacturing facilities.
P R Srinivasan	Director	He is nominee of the Citi Venture Capital group.
R Ganesh	Executive Director	Has been a strategic advisor to top companies on policy issues. He is in charge of the KS Oil's HRD policies and implementation of New projects.
Dr. R.S. Sisodia	Independent Director	Is a Doctorate in agriculture and looks after quality control areas R&D.

Management Team

Name	Designation	Profile
Himanshu G	Head-Strategy	Has experience in edible oils international trade. He drives the positioning of the Company's brands.
P.K.Mandloi	Independent Director	Has extensive experience in the banking sector and guides the Company in financial matters.
Sunil Alagh	Head-Marketing Advisory Committee	Ex-CEO of Britannia and one of the earliest and top Marketing Guru in India. He formulates the Marketing and Brand strategies of the company.

Shareholding Pattern



FII Shareholding

Citigroup Venture Capital International	- 14.82%
Merrill Lynch Capital Markets	- 2.67%
BSMA Ltd.	- 2.52%
GMO Emerging Markets Fund	- 2.51%
Quantum (M) Ltd.	- 1.91%
Sandstone Capital India Master Fund	- 1.49%

As on 31st March, 2007



Current Operations



Company's Divisions

Mustard Oil

- Involved in crushing of mustard seeds and processing of crude Mustard oil.
- Crude Mustard oil is sold under two brands as well in loose, unbranded form.
- Bulk Packs - 47%
- Retail Packs - 27%
- Loose Sales - 26%

Revenues (FY07)
Rs 5,216 mn (48.6%)

Refining

- Involved in refining of various edible oils like:
 - Sunflower
 - Mustard
 - Soyabean
- Refined edible oils are sold under two brands as well in loose, unbranded form.
- Bulk Packs - 42%
- Retail Packs - 17%
- Loose Sales - 41%

Revenues (FY07)
Rs 3,649 mn (34.0%)

Others

- **Vanaspatti Division (Rs 448 mn) (4.2%)**
 - Processing of Vanaspatti which is marketed under two brands.
- **Solvent extraction & others (Rs 1,415 mn)**
 - Extracting remaining oil from the remnants of pressed mustard seeds.
 - Exports soya & rapeseed meal (de oiled soya cake) after extraction.

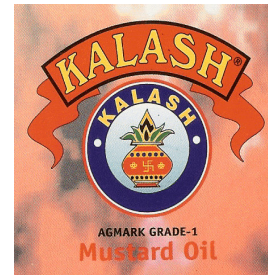
Revenues (FY07)
Rs 1,415 mn (13.2%)



Company's Brands

The Company has strong brands with high brand recall in their respective segments:

**Mustard Oil
(Double Sher and
Kalash)**



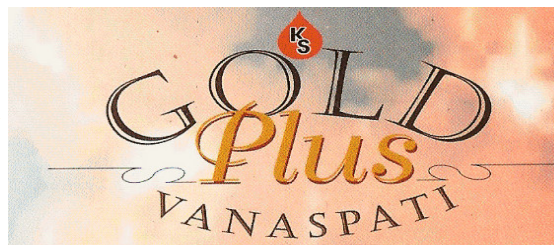
Double Sher has over 50% market share in the North East and enjoys a premium over other brands. The brand has high penetration and acceptance in the rural areas.

**Refined Mustard Oil
(KS and KS Gold)**



Kalash is a high end premium mustard oil targeted for urban/high income consumers, medicinal purposes and pickles.

**Vanaspati
(Gold and Gold Plus)**

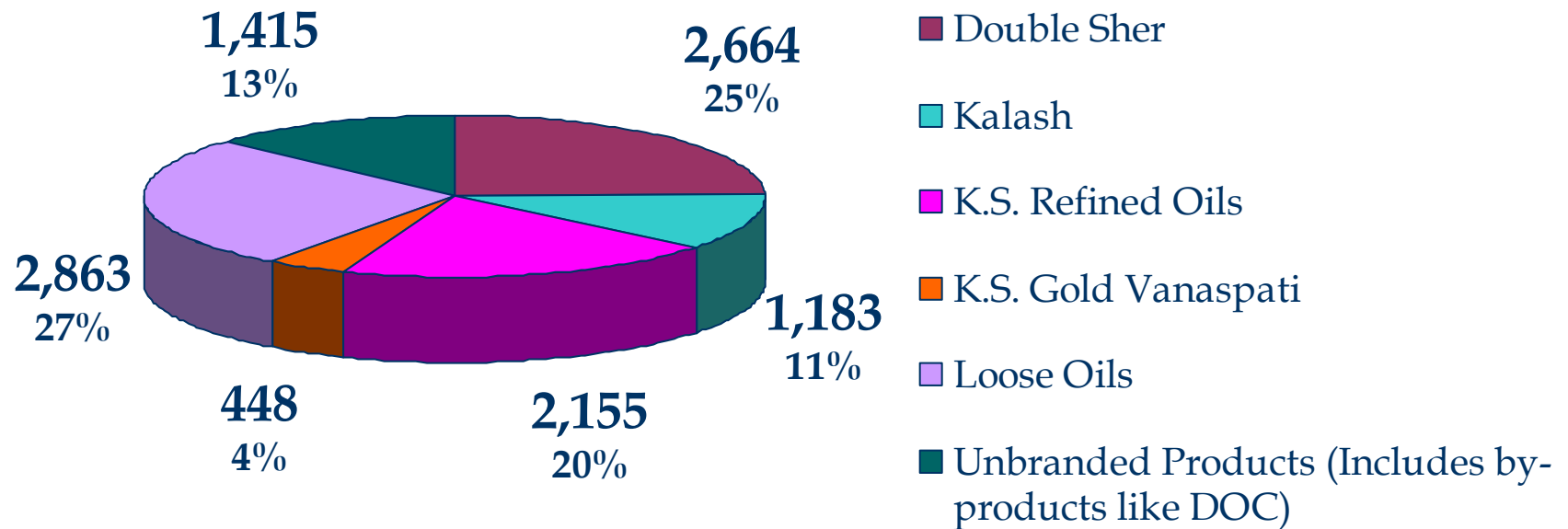


KS Gold brand commands a premium over other brands in refined oils as well as in Vanaspati.

Brand Summary

Brand	Revenues in FY06 (Rs mn)	%	Revenues in FY07 (Rs mn)	%
Branded Products	2,926	47.9%	6,450	60.12%
Unbranded Products	3,156	52.1%	4,279	39.88%
Total for Company	6,082		1,073	

Revenue in Rs Mn - FY 07

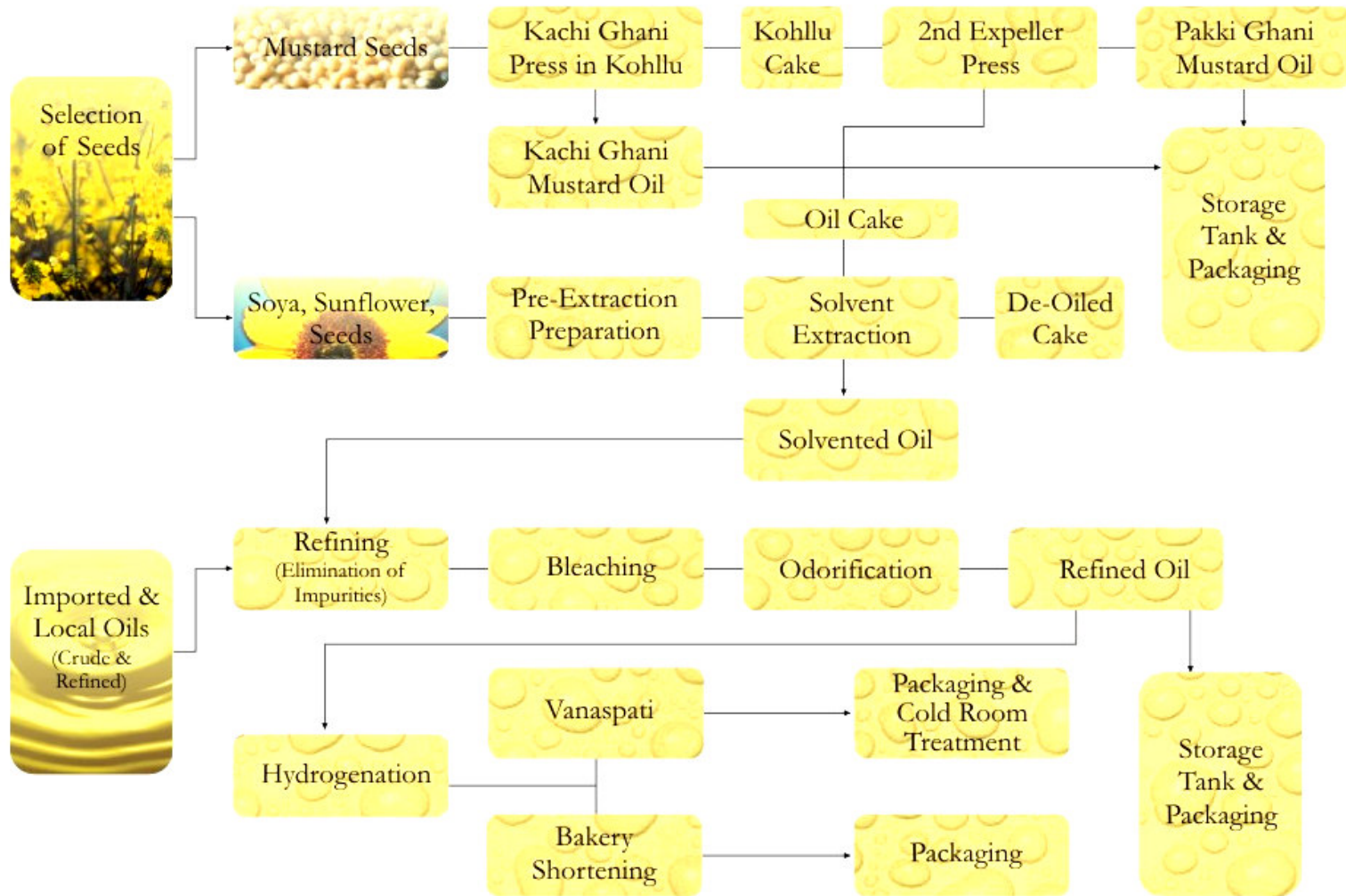


Manufacturing

- ✦ The manufacturing units are located in Morena (35 km from Gwalior) in Madhya Pradesh and Jodhpur, Rajasthan. The company also operates a leased facility in Alwar, Rajasthan.
- ✦ The operations of the Company are fully integrated with in-house packaging departments in all its units which completely meet the Company's requirements of tin, HDPE jars, pouches and PET bottles. The facilities are well equipped to switch to processing of any crude edible oil.
- ✦ Factory Complex area - 400,000 sq. ft (Morena), 115,500 sq. ft (Jodhpur)
- ✦ The current capacity is as follows:

Division	Installed Capacity
Crushing	1,475 MT per day
Solvent Extraction	900 MT/day
Refinery	500 MT/day
Vanaspati	150 MT/day

Manufacturing - Integrated Process Flow Chart



Sales and Distribution

✦ **Markets**

- Company's markets are classified as;
 - ✦ North East region (NE), where the Company is the market leader and which contributes around ~ 12% of the Company's revenues;
 - ✦ Rest of India.

✦ **Distribution Network**

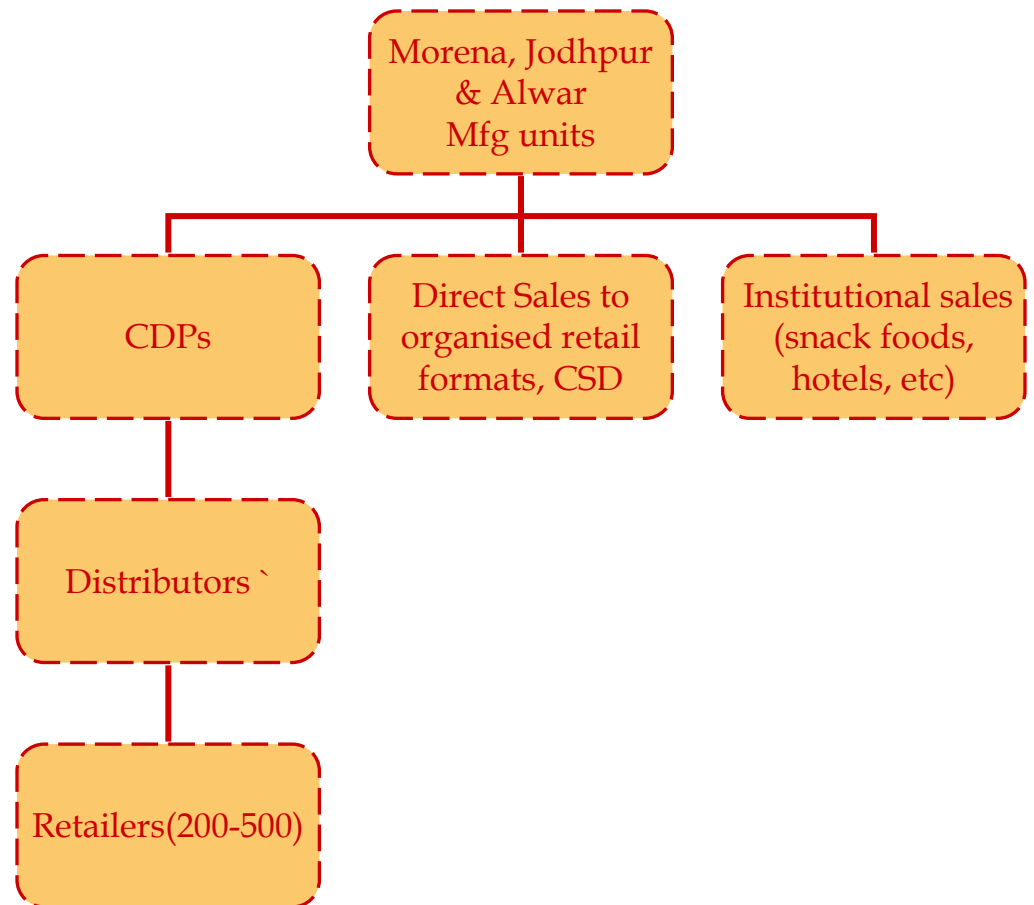
- For each market mentioned above, the Company has a distribution network:
 - ✦ For the NE Region, goods are transported through railway racks. Guwahati, Dimapur and Tinsukhia are the major railway arrival points for the Company's goods in this region. The Company has its own depots in these stations.
 - ✦ For the rest of India, the Company has set up a network of Depots and Central Distribution Points (CDPs) to cater to distributors and wholesalers.

Distribution Network

North East



Rest of India



Summary of Employees

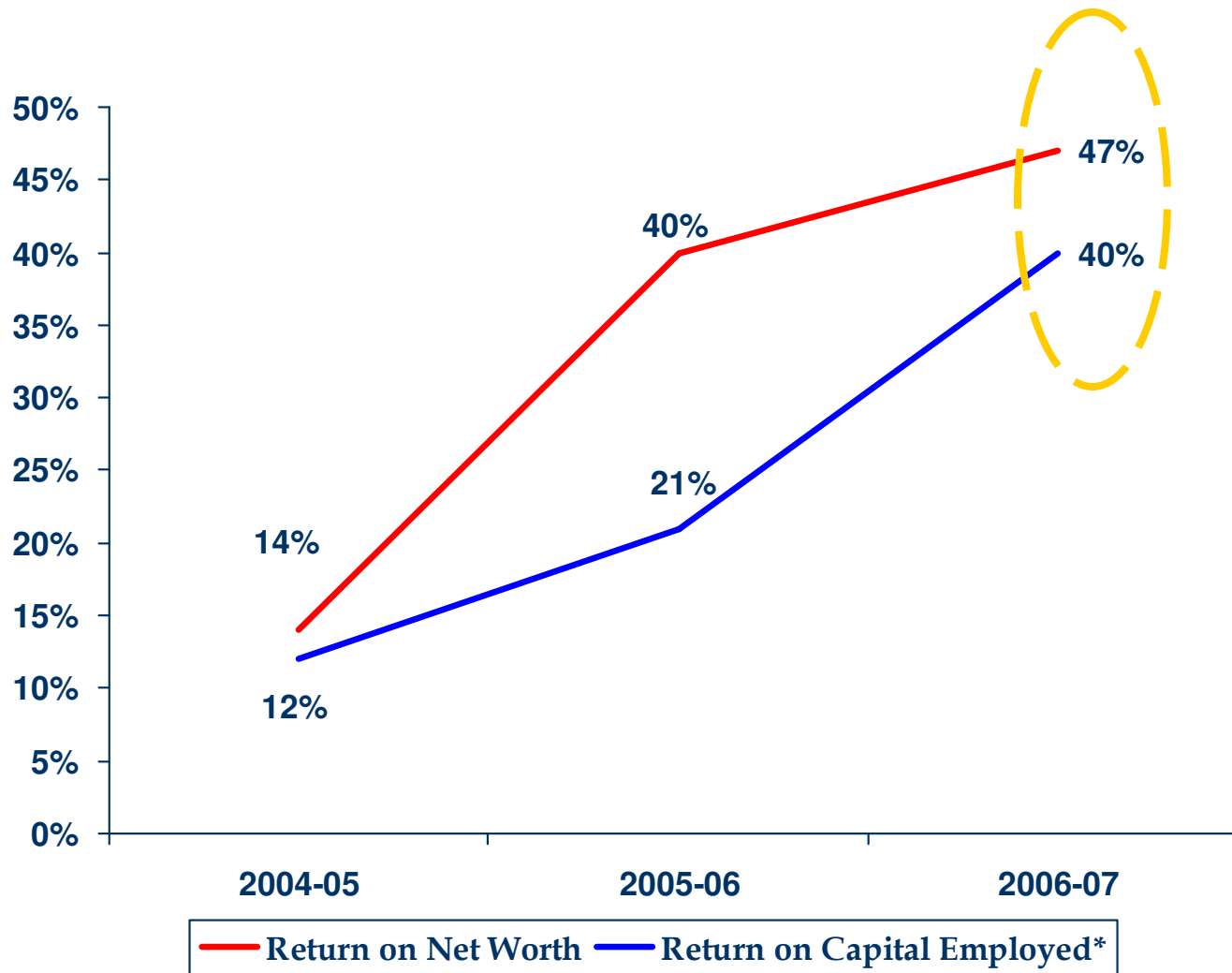
Sr. No.	Particulars	No. of Employees*
1	Office Employees	65
2	Employees at Factory	1,653
3	Employees in Marketing Team	54
4	Company's Employees at other locations	42
5	Employees in Jodhpur Plant	97
6	Employees in Alwar Plant	18
	Total Number of Employees	1,929

Note: Day to day operations are managed by professionals including Chartered Accountants, MBAs, Engineers, etc aggregating to 150 staff.

**As on 31st, March, 2007*



Financial Performance Summary



* *EBIT/Average Capital Employed*

Historical Profit & Loss Statement

Rs. Million

Particulars	Mar-04	Mar-05	Mar-06	FY 2007Un
INCOME				
Sales (Net)	4,685	4,525	6,082	10,729
Other Income	4	6	4	4
Total	4,688	4,530	6,086	10,732
Less: Raw Material	4,247	4,040	5,290	8,818
Manufacturing Expenses	156	168	255	980
				(All Exps.)
Gross Profit	285	322	541	935
EXPENDITURE				
Selling Expenses	84	99	134	-
Administration expenses	77	79	131	-
EBITDA	124	144	276	931
Depreciation	20	25	29	42
EBIT	105	118	248	892
Interest and Finance Charges	80	77	72	150
PBT	25	41	176	743
Provision for Taxation	2	8	24	134
PAT	23	34	152	609



Strategy & Growth Initiatives



Vision

- ✦ To deliver Health and Prosperity
- ✦ To achieve a turnover of Rs. 50 bn by 2010
- ✦ To consolidate market leadership position by achieving 20% market share in mustard oil
- ✦ To accelerate the conversion of the loose unbranded edible oil market to the branded retail market

Gross Margin Summary

Brand	Revenues in FY06 (Rs mn)	Revenues in FY07 Un (Rs mn)	Revenues in FY08 E (Rs mn)	Gross Margin in FY06	Gross Margin in FY07E	Gross Margin in FY08E
Double Sher	1,369	2,664	3,726	7.7%	11.7%	13.9%
Kalash	278	1,183	3,066	9.2%	17.9%	18.8%
K.S. Refined Oils (Refined)	839	2,155	4,038	8.9%	15.6%	13.9%
K.S. Gold Vanaspati	441	448	711	27.9%	8.7%	7.5%
Branded Products	2,926	6,450	11,541	11.2%	13.8%	14.8%
Unbranded products	3,156	4,279	7,232	6.6%	11.2%	11.2%
Total for Company	6,082	10,729	18,773	8.8%	12.8%	13.4%

Increasing Gross Margins

✦ Higher proportion of branded revenues

Particulars	FY2006	FY2007Un	FY2008E
% of Total Trade and Retail Packs	48.1%	60.1%	61.5%
% of Total Tanker Sales	34.4%	26.7%	20.6%
% of Total Other Sales	17.5%	13.2%	18.0%

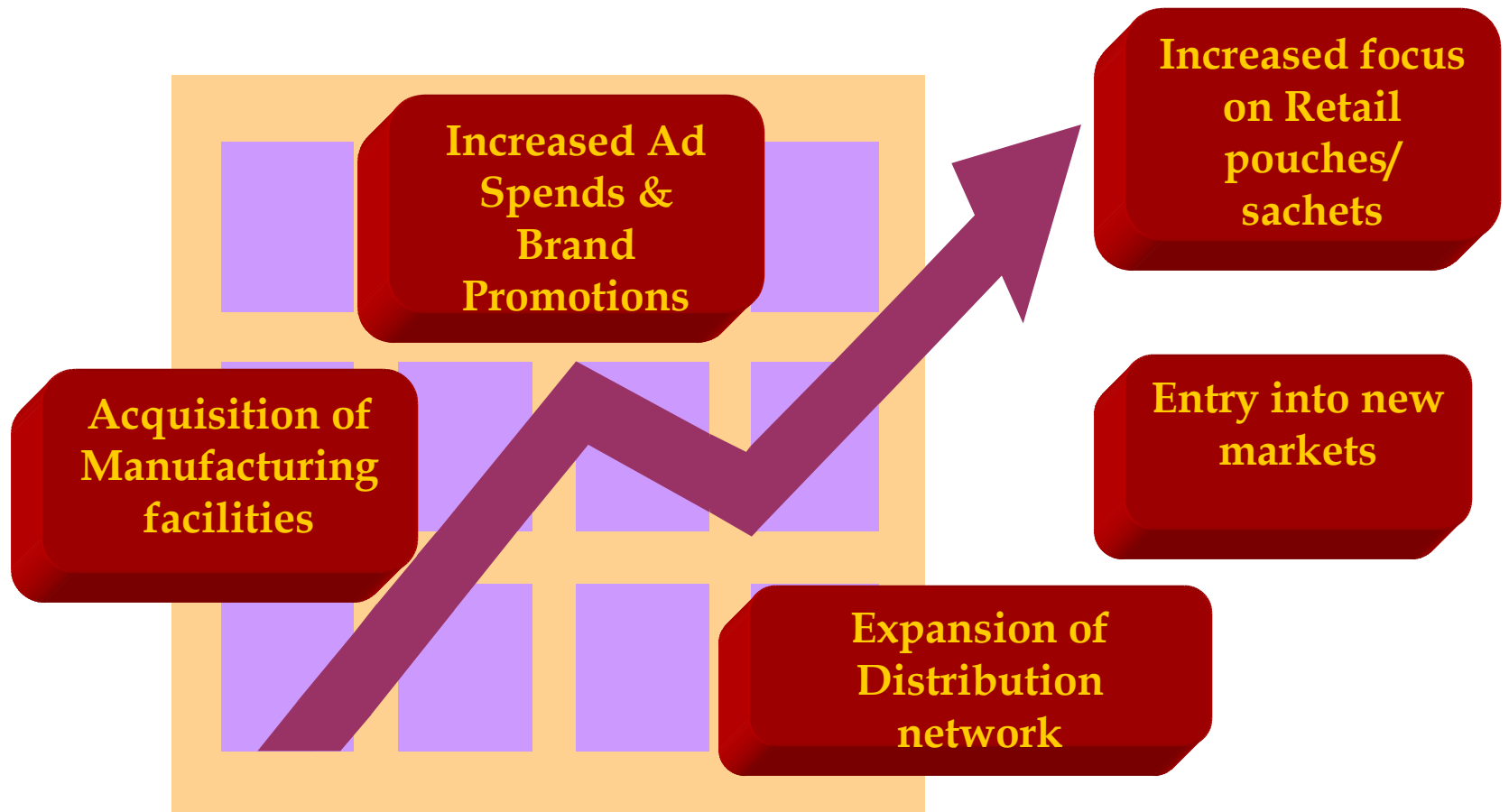
Increasing Gross Margins

✦ Higher proportion of retail packs

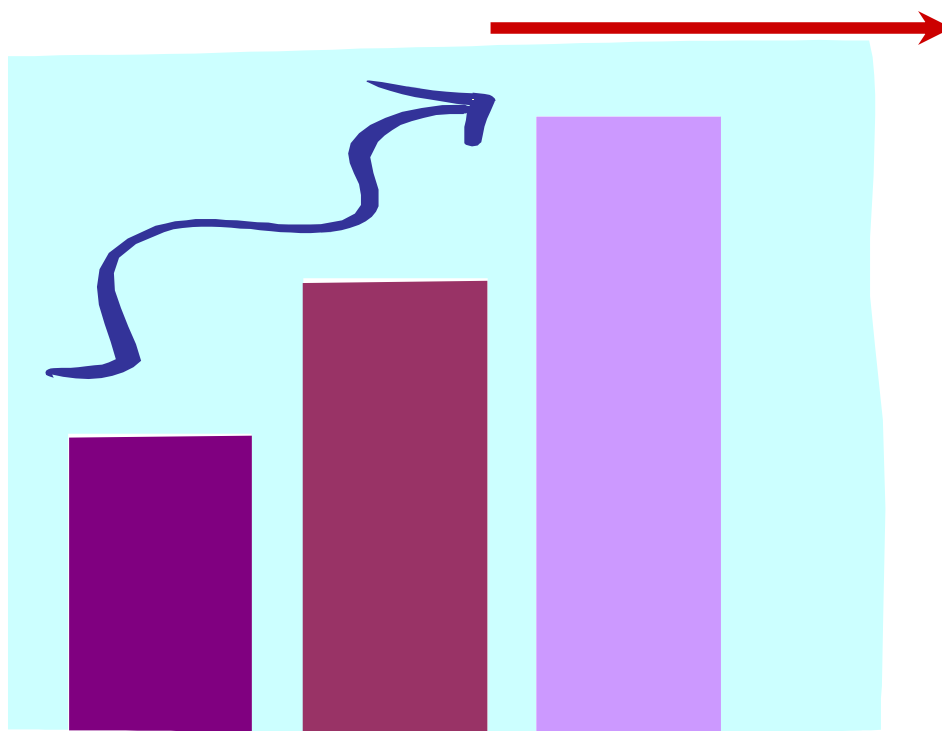
Particulars	FY 2006	FY 2007Un	FY 2008E
% of Total Branded Qty sold in MT in Tins	82%	64%	51%
% of Total Branded Qty sold in MT in Jars/Bottles	10%	25%	27%
% of Total Branded Qty sold in MT in Pouches	8%	11%	22%

Particulars	Double Sher 15 kg Tin		Double Sher 1 ltr bottle		Kalash 1 ltr Bottle	
	Total (Rs/ Kg)	Total (Rs/ Kg)	Total (Rs/ ltr)	Total (Rs/ ltr)	Total (Rs/ Ltr)	Total (Rs/ Ltr)
Average Realisation	46.82		45.64		46.46	
Mustard Seeds	47.02		42.74		42.74	
Coal & Fuel	0.26		0.23		0.23	
Power	0.75		0.68		0.68	
Wages	0.21		0.19		0.19	
Other Manufacturing Exps.	0.09		0.08		0.20	
Packaging Cost	2.94		2.94		2.94	
	51.26	51.26	46.87	46.87	46.99	46.99
Realisation - Oil Cake	9.28	9.28	8.43	8.43	8.43	8.43
Cost to Company		41.98		38.43		38.55
Gross Margin	4.84		7.21		7.91	
Gross Margin %	10.34%		15.8%		17.0%	

Revenue Drivers



Margin Drivers



- Migration from Loose oil to Tins to Retail packs
- Brand Building resulting in higher proportion of branded revenues
- Replacement of imported refined soyabean & other refined edible oils with refined mustard oil



Marketing Strategy

✦ Increasing Ad spends

- Appointment of Everest Brand Solutions (part of WPP network)
 - ▣ Redesigning the entire packaging range and the new 50 ml - 100 ml sachets/mini pouches.
 - ▣ Planning and implementing a campaign for advertisements from January 2007 to March 2008 (budget - Rs. 80 mn) to enhance nationwide brand visibility.

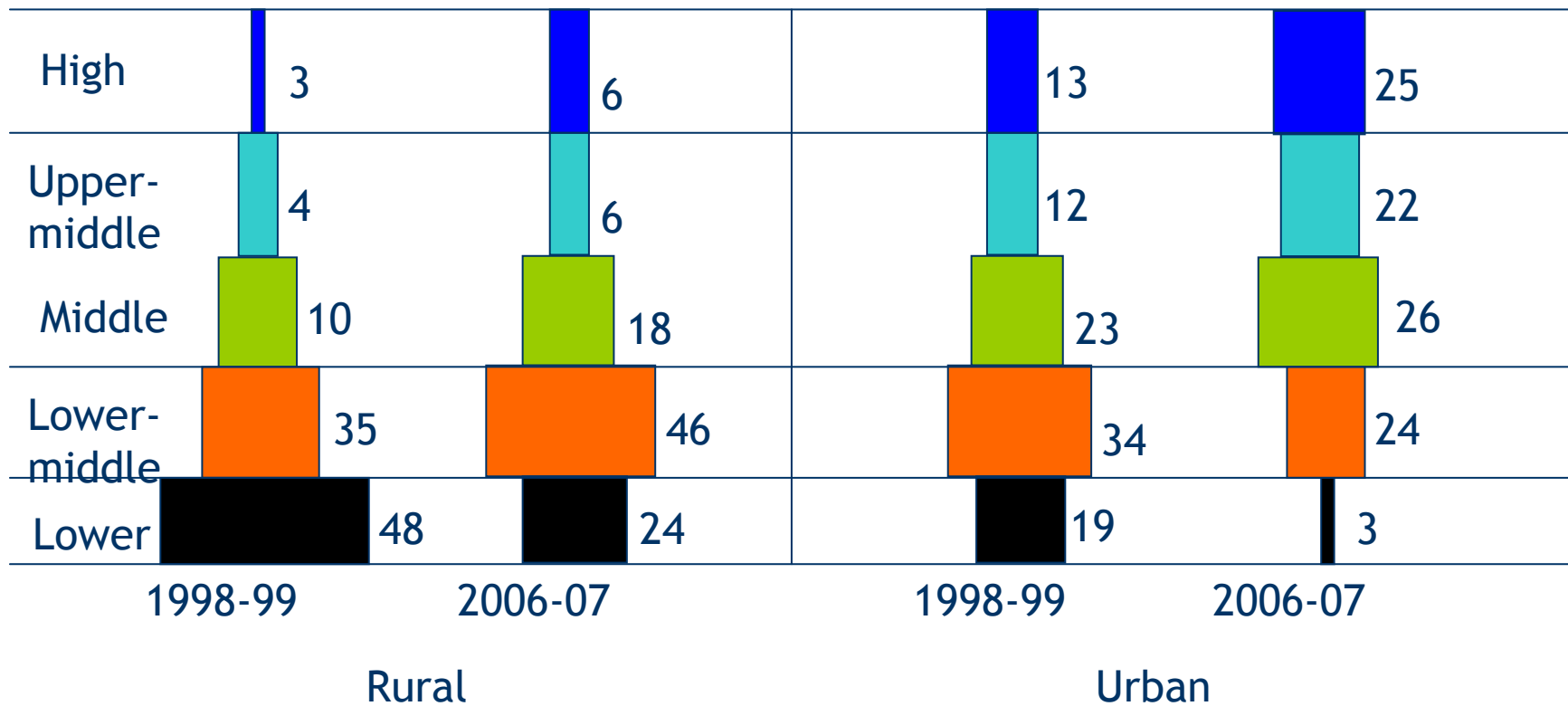
Marketing Strategy

✦ Increased focus on Retail Pouches/Sachets

- To convert unorganised loose market to branded retail packs (Loose-tin-pouches)
- To address market demand for smaller retail packs by setting up a state-of-the-art fully, automated packaging facility to make retail packs/pouches (commissioned - April 07)
- To refine Mustard as well as Soyabean oil in urban markets
 - ✦ Increasing preference for packaged products (hygiene factors and avoidance of any adulteration).

Marketing Strategy

Income distribution among households in percent



Source: NCAER, 2006-07 estimated

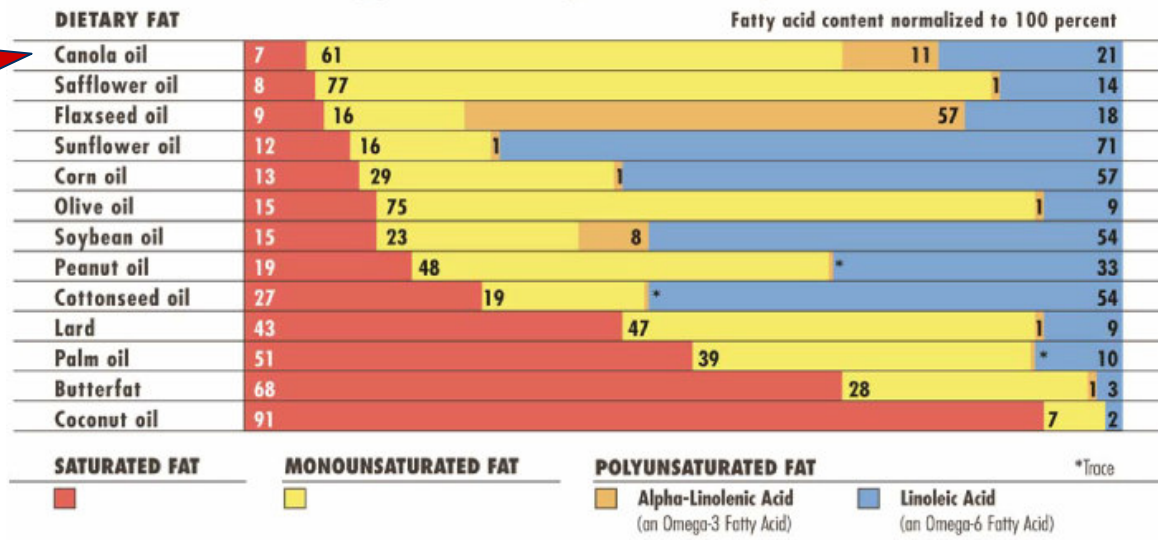
Marketing Strategy

✦ Health Awareness Campaign

- To aggressively campaign the health benefits of mustard oil as a heart friendly oil and other benefits to the human body.
- To organise PR through Health seminars and more medical research done on benefits of mustard oil.

Mustard Oil
(known as Canola
in Canada) has the
least amount of
saturated fat as
compared to all
other edible oils

Comparison of Dietary Fats



SOURCE: PDS PILOT PLANT CORPORATION

Distribution Strategy - CDP Model

To establish a nationwide distribution network of 200 Central Distribution Points (32 already appointed) with 1,000 Distributors (300 already appointed) and 300,000 retailers by FY 2008. A 200 (54 already appointed) member sales team is being put in place to service this network.

Presence of Central Distribution Point	<ul style="list-style-type: none">• One CDP is appointed for each region and zone• Each metro is divided in four zone and one CDP is appointed for each zone• One CDP is appointed for each region covering 3 - 4 districts• Each CDP have high repute and creditability in the market
Function of Central Distribution Point	<ul style="list-style-type: none">• CDP's have their own distribution network, through which they sell Company's product• To keep records of stock, sales and distribution• Responsible to the Company for making payment of the goods received by him• To provide services to large retails chains and super markets

Overall Market share of K.S. Oils (Rs. Crs.)

		Rs. Crs.		
Particulars		Mar-06	Mar-07Un	Mar-08E
Total Indian Edible Oils		60,000	63,600	67,416
<i>growth % YoY</i>			6%	6%
A. Mustard Oil		12,000	12,720	13,483
B. Other Oils		48,000	50,880	53,933
A. Mustard Oil				
Crude Mustard oil	70%	8,400	8,904	9,438
Refined Mustard oil	30%	3,600	3,816	4,045
Proportion of branded mustard oil (in crude and refined)	15%			
<i>growth % of branded oils</i>			20%	20%
Branded crude mustard oil		1,260	1,512	1,814
Branded refined mustard oil		540	648	778
Loose/ Unbranded Crude and Refined Mustard oil		10,200	10,560	10,891
<i>growth % (derived figure)</i>			4%	3%
Unbranded Crude mustard oil		7,140	7,392	7,624
Unbranded refined mustard oil		3,060	3,168	3,267
K.S. Oil Limited				
Crude & Refined Mustard oil Turnover		224	622	995
Overall Mkt share of mustard oil		1.9%	4.9%	7.4%

Market share of K.S. Oils in Crude Mustard Oil (Rs. Crs.)

Rs. Crs.

Particulars	Mar-06	Mar-07Un	Mar-08
Total Sales	608	1,073	1,877
Mustard Division			
Double Sher	137	267	373
Kalash	28	118	307
Loose	28	137	158
Total Mustard Division	193	522	837
Proportion to total sales %	32%	49%	45%
Proportion of branded/ loose to total mustard oil division			
Branded	85%	74%	81%
Loose	15%	26%	19%
% Mkt share of Crude Mustard oil	2.3%	5.9%	8.9%
% Mkt share of Branded Crude mustard oil	13%	25%	37%
% Mkt share of Unbranded Crude mustard oil	0.4%	1.9%	2.1%

Financial Projections



Business Outlook of K S Oils for FY 2007-08*

Particulars	Amount (Rs Mn)	YoY growth
Revenues	17,500 - 18,000	63% - 68%
Net Profit	1,050 - 1,100	72% - 80%
<i>Net Profit Margin</i>	6.00% - 6.11%	

* As intimated to the BSE/ NSE

Projected Financial Performance-P&L Account

Rs. Million

Particulars	FY 2007Un	FY 2008E
INCOME		
Sales (Net)	10,729	18,773
Other Income	4	-
Total	10,732	18,773
Less: Raw Material	8,818	15,560
Manufacturing Expenses (All Exps.)	980	702
Gross Profit	935	2,511
EXPENDITURE		
Selling Expenses	-	447
Administration expenses	-	196
EBITDA	935	1,868
Depreciation	42	217
EBIT	892	1,652
Interest and Finance Charges	150	229
PBT	743	1,423
Provision for Taxation	134	297
PAT	609	1,126

Projected Financial Performance-Common Size

Common Size Statement

Particulars	Mar-07Un	Mar-08E
INCOME		
Sales (Net)	100.0%	100.0%
Other Income	0.0%	0.0%
Total Income	100.0%	100.0%
Less: Cost of Sales	82.17%	82.9%
Manufacturing Expenses	9.13%	3.7%
	(All Exps.)	
Gross Profit	8.71%	13.4%
EXPENDITURE		
Distribution Expenses		2.4%
Administration expenses		1.0%
EBITDA	8.71%	10.0%
Depreciation	0.39%	1.2%
EBIT	8.31%	8.8%
Interest and Finance Charges	1.39%	1.2%
PBT	6.92%	7.6%
Provision for Taxation	1.24%	1.6%
PAT	5.68%	6.0%

Projected Financial Performance-Balance Sheet

	Rs. Million	
	FY 2007E	FY 2008E
SOURCES OF FUNDS :		
Share Capital	211	232
Preferential Allotment	9	
CVC (Premium and warrants)	590	590
Promoter (Premium and warrants)	207	299
Deffered Government Grants	10	9
Reserves and Surplus	1,073	2,199
	2,101	3,330
Loan Funds		
Secured Loans	1,068	2,420
Unsecured Loans	-	-
	1,068	2,420
Total	3,169	5,750
APPLICATION OF FUNDS :		
Net Fixed Assets	1,354	3,038
Current Assets, Loans & Advances		
Inventories	1,774	2,867
Sundry Debtors	425	819
Cash and Bank	234	46
Bank Deposits	50	60
Loans and Advances + Deposits	271	428
Total Current Assets	2,755	4,220
Less : Current Liabilities and Provisions		
Current Liabilities	748	1,211
Provisions	193	297
	940	1,508
Net Current Assets	1,815	2,712
Total	3,169	5,750

Projected Financial Performance-Cash Flows

Particulars	Rs. Million	
	FY 2007E	FY 2008E
Opening Balance of Cash and Equivalent	61	234
Sources of Funds		
(A) Profit after Tax	602	1,126
Add:		
Depreciation	63	217
Amortisation of Government Grant	(0.6)	(0.6)
Cash Flow from Business	664	1,342
(B) Change in Equity	136	12
CVC (premium and warrants)	590	-
Promoter (premium and warrants)	207	92
Reserves	100	-
Dividend and Tax thereon	-	-
Share Entitlement Warrants	-	-
Cash flow from Equity	1,033	104
(C) Debt	194	1,352
Sub Total	1,952	3,031
Application of Funds		
Investments	-	-
Investment in Fixed Assets	980	1,900
Investment in Working Capital	739	1,086
Sub Total	1,719	2,986
Cash Balance as at year end	234	46

Ratio Analysis

The Growth Story: Growth through organic and inorganic route; focus on retail & branded products and addressing new markets

Key Ratios	FY 2007E	FY 2008E
Revenue growth Rates	77%	74%
Gross Profit Margin	12.8%	13.4%
EBITDA Margin	9.0%	10.0%
PAT Margin	5.6%	6.0%
Return On Equity	29%	34%
Debt Equity Ratio (Total Loans / Sharholders' Fund)	0.51	0.73

Annexure

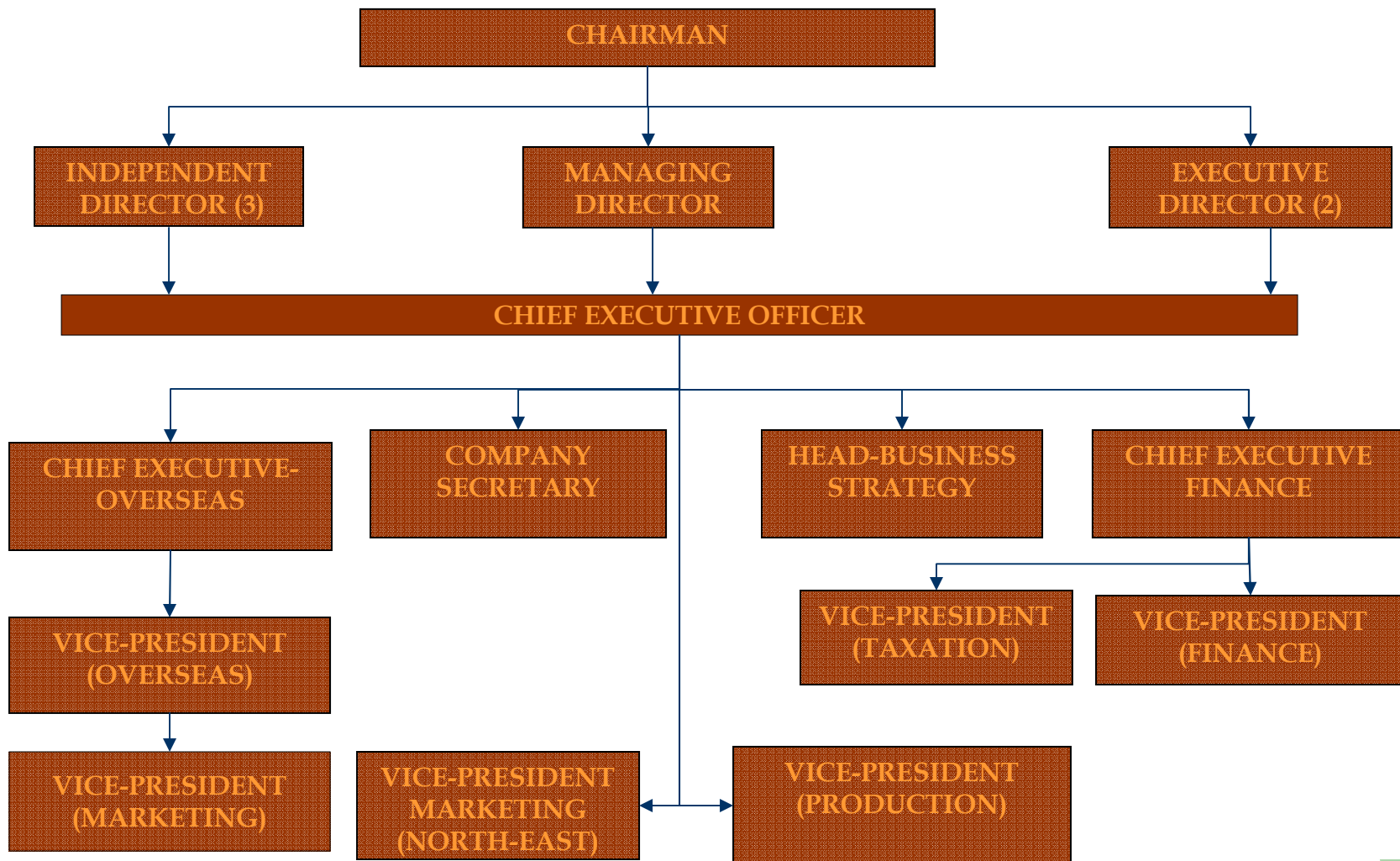


Changes in Share Capital

Particulars	Date	No of Equity Shares	Amount (Rs.)
Equity Share Capital		5,000,000	50,000,000
Less call in arrears @ Rs.5/- per share		107,100	535,500
Equity Share Capital as on	31.03.2004	4,892,900	49,464,500
		5,000,000	50,000,000
Shares forfeited as on	24.05.2004	107,100	1,071,000
Equity Share Capital as on	31.03.05	4,892,900	48,929,000
3500000 warrants allotted on 29.01.05 converted into equity shares on 26.10.2005 and listed on 06.02.2006 (Price Rs 25 per share)	06.02.06	3,500,000	35,000,000
Equity Share Capital as on	31.03.2006	8,392,900	83,929,000
107100 forfeited shares allotted on reissuance	12.08.2006	107,100	1,071,000
		8,500,000	85,000,000
Equity shares allotted on preferential basis.(Price Rs 225 per share - SEBI floor price ~ Rs 181.1)	19.08.2006	900,000	9,000,000
		9,400,000	94,000,000
Bonus in the ratio of 1:1	Record date was on 11.09.2006	9,400,000	94,000,000
		18,800,000	188,000,000
Equity Shares Allotted to CVC at Rs 180 per share	23.12.2006	3,291,656	32,916,560
		22,091,656	220,916,560
Warrants converted by Promoters	FY 08	1,150,000	11,500,000
		23,241,656	232,416,560
Warrants converted by Promoters	FY 09	1,150,000	11,500,000
		24,391,656	243,916,560
Warrants converted by CVC	FY 09	1,708,344	17,083,440
		26,100,000	261,000,000



Organisation Chart



Revenue Drivers...

✦ **Entry into New Markets**

- *Kachhi Ghani Mustard Oil:*

✦ The Company has a strong presence in the North East and is the market leader. The Company plans to increase its geographical reach through entry into new markets which consume the Kachhi Ghani mustard oil. Key markets are Rajasthan, Chattisgarh, Delhi, Haryana, Jammu & Kashmir, Uttar Pradesh, Uttaranchal, Madhya Pradesh, Bihar, Orissa and West Bengal. The demand in these markets is largely met by the unorganized sector. The Company is confident of replacing these players due to increased reach achieved through enhancement of distribution network and introduction of retail packs & pouches.

- *Refined Oil:*

✦ The Company is increasing its presence in the refined oil market in the Northern and Western regions of the country. The Company believes that its products are a healthier substitute to other edible oils in the market

✦ **Increased focus on Retail Pouches/Sachets**

- This would drive sales by enabling the Company to capture market share from the unorganised segment.

Revenue Drivers...

✦ **Expansion of Distribution Network**

- The Company has setup a network of Central Distribution Point (CDP) to cater to distributors and wholesalers in markets across the country. The Company is also in talks with large retail chains to increase the availability of their products in the urban markets.

✦ **Acquisition of Manufacturing facilities - Inorganic Growth**

- The Company is aggressively following an inorganic growth strategy to increase its presence in new markets. The acquisition of a unit in a new market results in twofold benefits i.e. enhancement of crushing capacity and increase in customer base.



Margin Drivers...

✦ **Replacement of imported edible oils with Mustard**

- Mustard oil is a good substitute for imported edible oil. The Government policy of reducing dependence on imports to enhance food security is expected to be favourable to the manufacturers of mustard oil and the mustard seed farmers.

✦ **Brand Building resulting in increase in Branded revenues**

- The Company is aggressively replacing sale of unbranded loose edible oils with branded edible oils resulting in higher margins.

✦ **Migration from Loose oils to Tins to Retail Packs**

- The Company is moving towards reducing its sale of loose oil and increasing the sale of branded mustard oil in tins. The Company wants to phase out loose oil sales completely in the next two years and concentrate only on the sale of tins and retail packs which enjoy better margins. The Company has begun marketing smaller sizes of 200 ml, 500 ml, 1 litre, 2 litre and 5 litre. The Company plans to introduce pack sizes of 50 ml and 100 ml in the near future.



Assumptions – Production

Particulars	in M T	
	Mar-07Un	Mar-08E
Oil Mill		
Opening Available Capacity - Seeds M T	180,000	300,000
Additional Capacity - Seeds M T	120,000	247,500
Total Capacity - Seeds M T	367,500	742,500
Total Available Capacity - Seeds M T	300,000	547,500
Utilised Capacity	60.82%	70%
Production Crude Mustard Oil M T	63,752	134,059
Refinery		
Opening Available Capacity - Oil M T	45,000	75,000
Additional Capacity - Oil M T	30,000	142,500
Total Capacity - Oil M T	120,000	300,000
Total Available Capacity - Oil M T	67,500	217,500
Utilised Capacity	75.99%	60%
Production Refined Oil M T	50,270	126,189
Solvent Extraction		
Opening Available Capacity - Oil Cake M T	180,000	180,000
Additional Capacity - Oil Cake M T	-	217,500
Total Capacity - Oil Cake M T	180,000	540,000
Total Available Capacity - Oil Cake M T	180,000	397,500
Utilised Capacity	95.85%	85%
Production - DOC M T	127,687	301,202
Vanaspati		
Opening Available Capacity	45,000	45,000
Additional Capacity	-	-
Total Capacity - Vanaspati M T	45,000	45,000
Total Available Capacity - Vanaspati M T	45,000	45,000
Utilised Capacity	20.65%	35%
Production Oil	9,292	15,234

Assumptions

+ Sales

- Entire production, after assuming the opening and closing stock adjustments is assumed to be sold.
- Marginal increase is assumed in the selling prices of the product in FY 2008.

+ Raw Material

- Yield of raw material is assumed to be constant.
- Marginal increase in Price / unit for raw material is assumed for FY08 after which it is assumed constant.

+ Fixed Asset and depreciation

- Capital expenditure is assumed to be in line with capacity expansion
- Depreciation is assumed to be as per Company's Act

+ Expenses

- Consumption of power , coal and other expenses is in line with past year
- Annual increment in the price / unit is considered for all expenses

+ Wind Farm

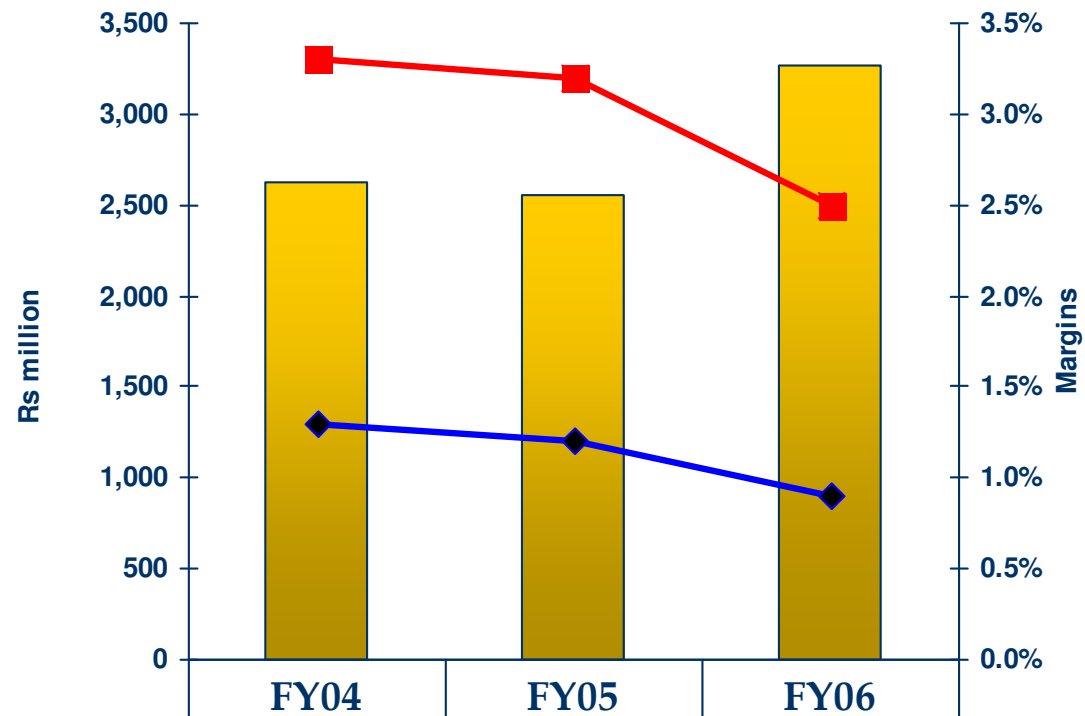
- Saving in power cost, due to generation of power from wind turbine is assumed to be Rs. 3/unit




Assumptions – Working Capital

						In Days
Particular	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Remarks
Inventory						
Finished Goods	35	35	35	35	35	on Cost of Goods Sold
Raw Material	30	30	30	30	30	Raw Material Cost
Other Material	120	120	120	120	120	Other Material Cost
Debtor	15	17	19	21	23	On Sales
Creditor	20	20	20	20	20	Raw Material Cost

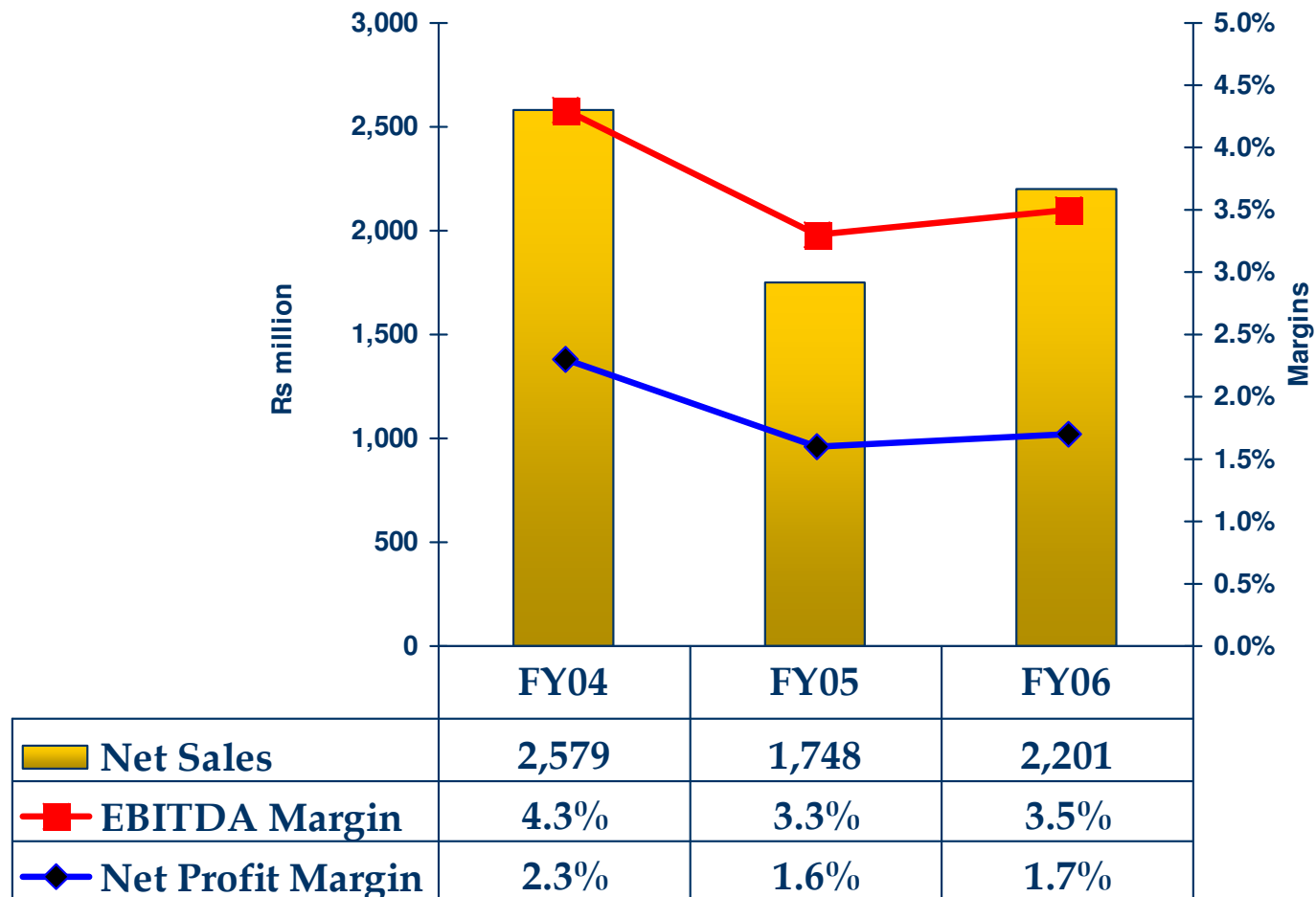
Note: The above working capital norms are for the key inventory components.

Competitors Profile: Vijay Solvex

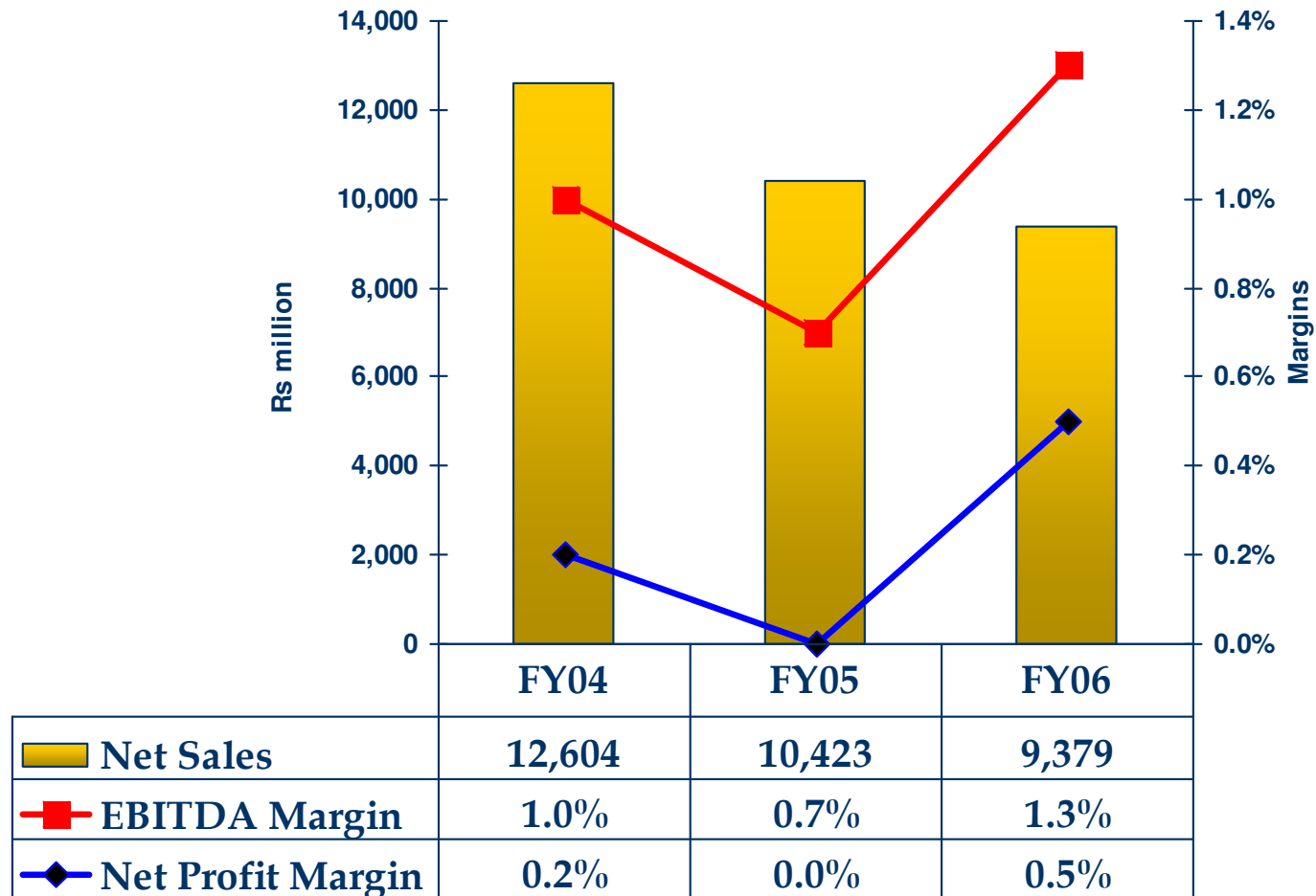


 Net Sales	2,624	2,553	3,270
 EBITDA Margin	3.3%	3.2%	2.5%
 Net Profit Margin	1.3%	1.2%	0.9%

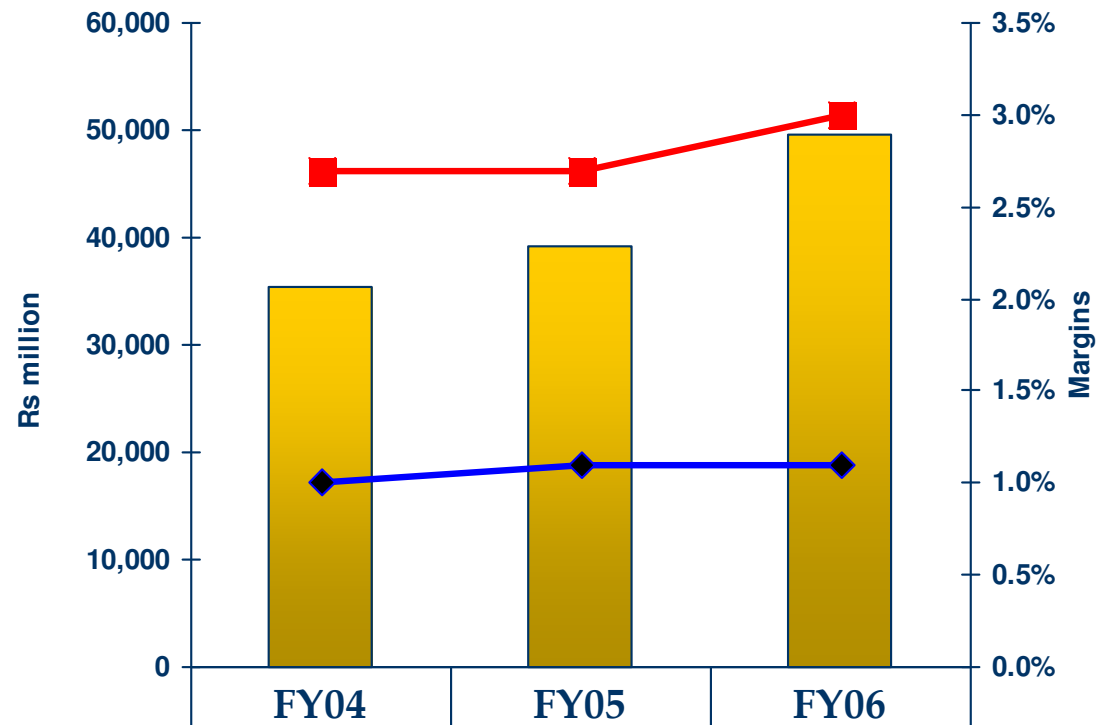
Competitors Profile: Sanwaria Agro






Competitors Profile: Agro Tech



Competitors Profile: Ruchi Soya



 Net Sales	35,344	39,221	49,526
 EBITDA Margin	2.7%	2.7%	3.0%
 Net Profit Margin	1.0%	1.1%	1.1%

Funds Utilization

Particulars	R s M n .
New Acquisition- nos.1	
Oil Mill-200 M T / day	200
Solvent -400 M T / day	
Refinery -100 M t / day	
Jodhpur Facility Expansion	120
Oil Mill-225 M T / day	
Refinery-100 M T / day	
New Acquisition (capacity to be finalised, based on shortlisted units)	150
Morena Plant-Plan	
Oil Mill expansion by 225 M T	50
Refinery Modernisation and expansion by 100 M T	50
State of the art automated retail pack unit	50
New Marketing and Training Office building	30
IT Solution - CRM & ERP upgradation	30
Energy Efficiency Management	30
Bio Diesel (conversion of Acid Oil)	30
Tin Unit expansion (Total 40,000 Tin / day)	20
Boiler Efficiency System	20
Solvent (Modernisation)	20
By Product Spent Earth Recovery Unit	20
Internal Roads	20
HDPE Unit expansion (Total 1,800 M t / day)	15
Margin Money for Wind Turbines	
New Two Nos. By 3 M W	45
Total	900
Working Capital	410
Grand Total	1,310

Summary	Rs Mn.
Acquisitions	470
Modernisation/ Expansion at Morena	385
Margin for Wind Turbines	45
Working Capital	410
Total	1,310

