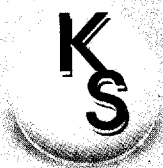
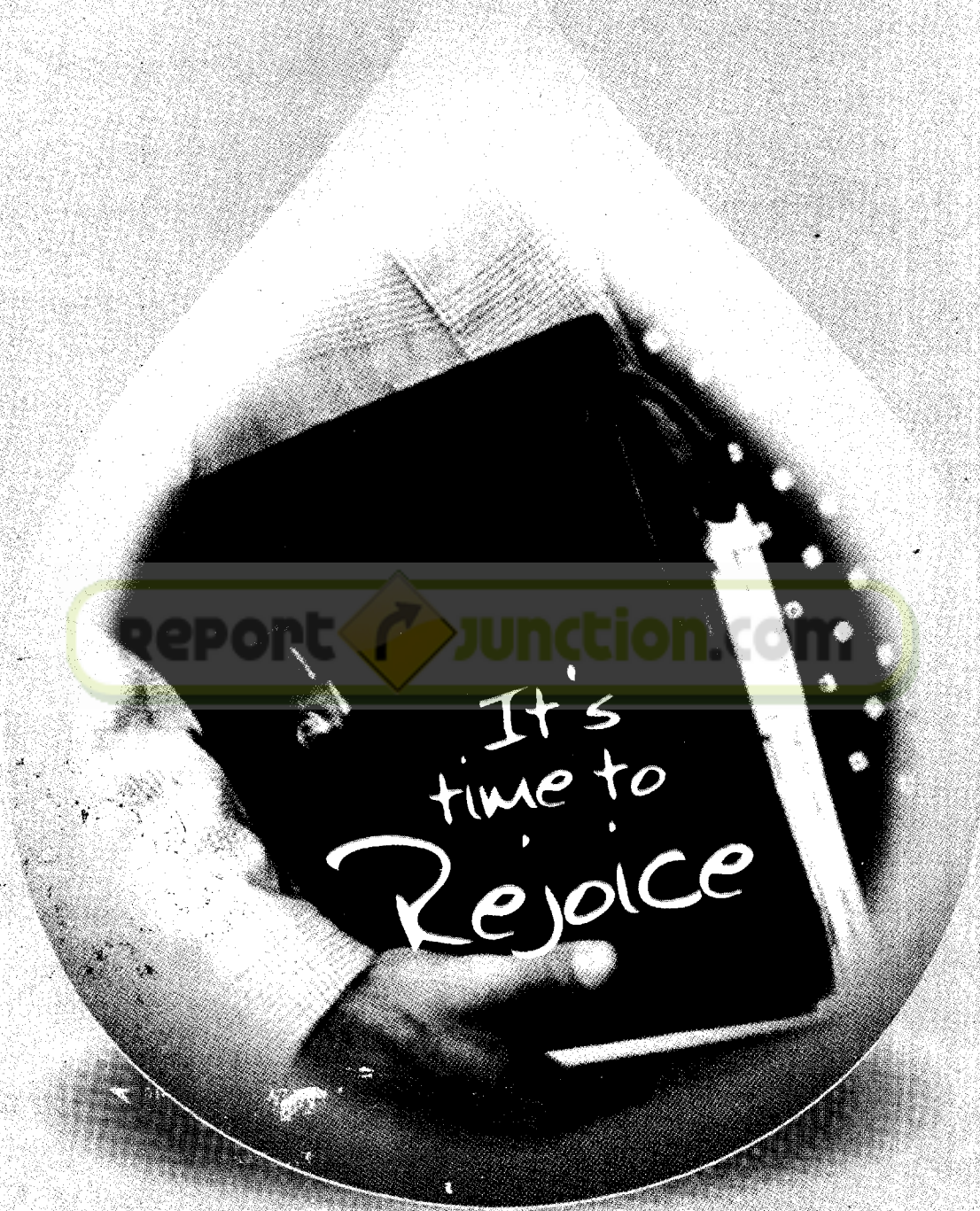


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K. S. Oils Limited

24k purity since last fifty years

FINANCIAL HIGHLIGHTS (Rs in Lacs)						
Sr. No.	PARTICULARS	2003-04	2002-03	2001-02	2000-01	1999-2000
A	SALES & EARNING					
1	SALES	46,842	33,615	32,165	30,226	28,732
2	PROFIT BEFORE TAX	250	197	129	118	124
3	PROFIT AFTER TAX	226	180	119	102	107
B	ASSETS & LIABILITIES					
4	GROSS BLOCK	4,062	3,679	3,478	2,027	1,723
5	NET FIXED ASSETS	2,999	2,763	2,750	1,432	1,227
6	NET CURRENT ASSETS	6,344	5,699	5,504	5,230	4,902
7	MISC. EXPENDITURE	-	-	7	13	20
8	TOTAL ASSETS	9,343	8,462	8,261	6,675	6,149
C	REPRESENTED BY					
9	SHARE CAPITAL	495	494	494	494	494
10	RESERVES	1,538	1,291	1,111	991	889
11	LOAN FUND	7,310	6,657	6,656	5,190	4,766
12	TOTAL FUNDS	9,343	8,442	8,264	6,675	6,149



K. S. OILS LIMITED

BOARD OF DIRECTORS

MR. RAMESH CHAND GARG
MR. GOVIND PRASAD GARG
MR. MOHAN LAL GARG
MR. SAURABH GARG
MR. PRAMOD KUMAR MANDLOI
MR. BRIJ MAHENDRA NANDAN SINGH

CHAIRMAN
MANAGING DIRECTOR
DIRECTOR
WHOLE TIME DIRECTOR
DIRECTOR
DIRECTOR

KEY EXECUTIVES

Mr. Y. SARUP
Mr. CHANDRA KAMAL BHUYAN
Mr. VINEET GARG
Mr. VIVEK GARG
Mr. G. L. CHAUHAN
Mr. G. S. VIJAY
Mr. RAMNIWAS GUPTA
Mr. ASHOK KAWADE

COMPANY SECRETARY

Mr. SANDESH YASHLAHA

AUDITORS

RATHI & CO. CHARTERED ACCOUNTANTS,
GWALIOR (M. P.)

BANKERS

CENTRAL BANK OF INDIA
ANDHRA BANK

REGISTERED OFFICE

JIWAJI GANJ, MORENA-476 001 (M. P.)

FACTORY

INDUSTRIAL AREA, AGRA-BOMBAY ROAD,
MORENA-476 001 (M. P.)

REGISTRAR AND SHARE TRANSFER AGENT

M/S ANKIT CONSULTANCY PVT. LTD.
2ND FLOOR ALANKAR POINT, GITA BHAWAN CHAURAHA,
A. B. ROAD, INDORE (M. P.)

ANNUAL GENERAL MEETING

Date : 25th September, 2004
Time : 4.00 P.M.
Day : Saturday
Venue : Jiwaji Ganj,
MORENA-476 001

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K. S. OILS LIMITED

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the **K. S. Oils Limited** will be held at the Registered Office of the Company at Jiwaji Ganj, Morena on Saturday the 25th day of September, 2004 at 4.00 P.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Balance sheet of the Company as at 31st March, 2004 and the Profit & Loss Account for the year ended on that day together with the Report to the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Mohan Lal Garg, who retires by rotation and being eligible, offer him self for re-appointment.
3. To appoint a director in place of Mr. Brij Mahendra Nandan Singh, who retires by rotation and being eligible, offer him self for re-appointment.
4. To appoint Statuary Auditors to hold office from conclusion of this Annual General Meeting until the conclusion of the Next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS

5. **VARIATION IN REMUNERATION OF SHRI GOVIND PRASAD GARG, MANAGING DIRECTOR**

To Consider and, if thought fit, to pass, with or without modification, the following resolution as **special resolution** :

"RESOLVED THAT subject to the provisions of Section 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits specified in Section 198 and Schedule XIII to the Act (including any statutory modification or re-enactment's thereof for the time being in force), the Company hereby approve the increase of and variation in the remuneration of Shri Govind Prasad Garg, Managing Director, of the Company from 1st April, 2004 for the balance period of his tenure i.e. up to 31st May, 2007 as per terms and conditions given below :

- | | |
|----------------|---|
| 1. Salary | Rs. 75,000/- per month |
| 2. Perquisites | Perquisites as detailed below are allowed in addition to salary |

- i) The expenditures incurred by the Company on Gas, Electricity, Water and Furnishing shall be value as per the Income-tax Rules, 1962, subject to ceiling of 10% of the Salary.
- ii) Reimbursement of Medical and Hospital expenditure incurred for self and family subject to a ceiling of one month salary per year.
- iii) Leave travel concession for self and family once in every year for travel anywhere in India.
Explanation : Family for (ii) and (iii) means the spouse, the dependent children and dependent parents.
- iv) Personal accident insurance for an amount, the annual premium of which does not exceed Rs. 10,000/-.
- v) Entrance fee and monthly subscription of two clubs. This will not include life membership fee.
- vi) Company's contribution towards provident fund when applicable, subject to a maximum of 12% of salary.
- vii) Gratuity not exceeding the half month salary for each completed year of service.
- viii) Provision of Company's Car with/without driver for company's business and telephone at residence (for official purpose) shall not be considered as perquisites.

Minimum Remuneration :

In the event of loss, absence or inadequacy of profits, the remuneration aforesaid shall be the minimum remuneration. Any excess over limits prescribed under the Companies Act, 1956 shall become payable with approval of the Central Government, wherever so required."

6. **APPOINTMENT OF PRAMOD KUMAR MONDLOI**

To Consider and, if thought fit, to pass, with or without modification, the following resolution as an **ordinary resolution** :

"RESOLVED THAT Mr. Pramod Kumar Mandloi who was appointed as an additional director at the meeting of the Board of Directors of the Company held on 1st April, 2004, and whose terms expires at the ensuing Annual General

19TH ANNUAL REPORT

Meeting and for the appointment of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."

7. RE-ISSUE OF FORFEITED SHARES

To Consider and, if thought fit, to pass, with or without modification, the following resolution as an **special resolution** :

"RESOLVED THAT the authority of the Company be and is hereby accorded in pursuance of clause 23 of the listing agreement entered in to by the Company with the Stock exchanges to re-issue 107100 equity shares which have been forfeited to such persons at such price as the Board may determine including reissue of such shares at such price not less than Rs. 10/- per share to the promoters of the Company provided however the issue of shares to the promoters and others (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

NOTES :

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

2. Members/proxies, should fill attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
3. Member may please bring their copies of the Annual Report of the Meeting.
4. Members/Proxies should bring their attendance slip duly filled along with them for attending the Meeting.
5. Members are requested to advise the Company immediately any change in their address.

6. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of meeting.
7. The International Securities Identity Number (ISIN) allotted to the Company is INE727DO 1014.
8. Individual members are entitled to make a nomination in respect of shares held by them. Members who are desirous of making a nomination are requested to send the Nomination Form 2B duly completed to the secretarial Department of the Company.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 20th September, 2004 to Saturday 25th September, 2004 (both days inclusive)
10. Explanatory statement under section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
11. Pursuant to section 250 A of the Companies Act, 1956, all Unclaimed/Unpaid dividend for the financial year ended March 31, 1996 have been Transferred to investment Education and Protection Fund established by the Central Government pursuant to section 250C of the Companies Act, 1956. Shareholders are requested to note that no claim shall lie against the said fund or the Company in respect of any amount, which were transferred to investment Education and Protection Fund.

By order of the Board

GOVIND PRASAD GARG
(Managing Director)

Regd. Office :

JIWARI GANJ, MORENA-476 001

Dated : 31st August, 2004



K. S. OILS LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)

Item No. 5 : At the Annual General Meeting of the Company held on 28th Day of September, 2002 the members had approved the appointment of Mr. Govind Prasad Garg as Managing Director of the Company for a tenure of 5 years, effective from 1st June, 2002 on the terms and conditions and remuneration, details of which were indicated in the notice of the said Annual General Meeting.

Shri Govind Prasad Garg has contributed immensely during the previous three years to the successful running of the Company and it is necessary to increase the remuneration of Mr. Garg for the remaining period effective from 1st April, 2004.

As recommended by the remuneration committee at its meeting held on 1st April, 2004, the Board of Directors at its meeting held on 25th April, 2004, subject to the approval of shareholders, revised the terms and conditions of payment of remuneration of Managing Director.

In compliance with the provisions of Section 269, 309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act, the revised terms of remuneration payable to Mr. Govind Prasad Garg are now being placed before the members in General Meeting for their approval.

None of the Directors except Mr. Govind Prasad Garg, Mr. Ramesh Chand Garg and Mr. Saurabh Garg are interested in the resolution.

This may be treated as an abstract of the draft agreement between the Company and the Managing Director pursuant to Section 302 of the Companies Act, 1956.

Item No. 6 : The Board of Directors of the Company appointed Mr. Pramod Kumar Mandloi as an additional Director of the Company with effect from 1st April 2003, in accordance with the provision of Section 260 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company. Mr. Pramod Kumar Mandloi is retired as Chief Manager from State Bank of India. He has more than thirty years experience in Banking and Finance. He will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with a deposit of Rs. 500/- (Rupees Five Hundred Only) from a

member proposing the candidature of Mr. Pramod Kumar Mandloi for the office of Director Under the Provisions of Section 257 of the Companies Act, 1956.

None of the Directors are interested in this resolution except Mr. Pramod Kumar Mandloi.

Item No. 7 : The Board of Directors of your Company had found that 107100 equity shares of Rs. 10/- each of your Company remain to be partly paid shares and they have remained so in spite of sending individual notices to shareholders. A final notice was also sent to the members concerned warning forfeiture of said shares. However none of them has responded.

As such the Board has resolved to forfeit all the said 107100 equity in accordance with the Articles of Association of your Company. After forfeiture, necessary declaration of the forfeiture was duly made and the members have also been intimated separately.

The promoters of your Company intend to acquire these forfeited equity shares. The acquisition by promoters will not more than the extent permitted under regulation 11 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The said Regulations permit any acquirer together with persons acting in concert to acquire up to 5% of voting shares in every financial year. The promoters will acquire equity shares at re-issue price of Rs. 10/- Per share. This will make the total acquisition by them equal to 5% as prescribed in the said regulation.

However in view of the clause 23 of the Listing Agreement, it is hereby notified that it is open to any member of the Company to intimate the Board of Directors on or before the date of Annual General Meeting their willingness to apply for acquiring those shares which include the shares proposed to be acquired by the promoters at the same price. If there are applications for more shares than that are available, the available shares will be issued on a proportionate basis without any preference or priority to a person.

Article No. 44 of the Articles of Association empowers the Board of Directors to dispose of forfeited shares on such terms and in such manner as the Board thinks fit.

The directors who intend acquiring the shares as aforesaid and their relatives shall be deemed to be interested in the resolution.

19TH ANNUAL REPORT**DIRECTORS' REPORTS**

Dear share Holders

Yours Directors have pleasure in submitting the 19th Annual Report and Audited Accounts of the Company for the financial year ended on March 31, 2004 :

FINANCIAL RESULTS :		(Rs. in Laacs)
PARTICULARS	2003-04	2002-03
Sales	42,713.81	31,886.47
Export Sales	4,093.14	1,715.48
Profit before Interest and Deprecation	1,239.58	1,240.58
Interest	794.46	855.67
Depreciation	194.83	189.97
Provision for Tax	23.98	14.29
Profit after Taxation	226.31	180.65
Proposed Dividend	0.00	0.00
Transfer to General Reserve	50.00	50.00
Balance brought forward	438.71	308.06
Balance in Profit & Loss Account (C/F to Next Year)	615.02	438.71

OPERATIONS :

Sales including other income of all segments for the year ended March, 2004 amounted to **Rs. 468.42 Crores** as compared to Rs. 336.16 Crores for the period ended March, 2003. The Company is continuing its efforts to improve productivity and curtail costs. The profit for the year before taxation amounting to **Rs. 2.50 Crores** as compared to Rs. 1.95 Crores for the period ended March, 2003. This is highest ever sales and net profit in the history of the Company.

The key business segments of the Company are Oil Division, Refinery Division, Solvent Division & Vanaspati Division. The segment wise reviews of operation are as under :

OIL DIVISION : Products belonging to the division are Mustard Oil, Cake, Tin Container & trading activities, Gross Sales Turnover of this division was Rs. 223.50 Crores and profit before interest & Tax were Rs. 8.91 Crores.

REFINERY DIVISION : Products belonging to the division are Refined Oil, Cake & Tin Container. Gross Sales Turnover of this division was Rs. 103.52 Crores and profit before interest & Tax were Rs. 2.56 Crores.

SOLVENT DIVISION : Products belonging to this division are Solvent Oil, De-Oiled Cake, Gross sales Turnover was Rs. 75.97 Crores and Loss before Interest & Tax was Rs. 1.96 Crores.

VANASPATI DIVISION : Products belonging to this Division is Vanaspati Ghee, Gross Sales Turnover was Rs. 64.42 Crores. And Loss before Interest & Tax was Rs. 1.18 Crores.

OPERATIONAL PERFORMANCES :

The last year witnessed high domestic production of oil seed and consequently the dependency on imported oil was reduce. During this year the Company use maximum production capacity as well as bulk trading activities was carried out to insure regular presence in the market. During the year your Company has managed it resources extremely well and Sales Turnover was increased by **39.30%** at **Rs. 468.06 Crores** (Rs. 336.02 Crores) Profit after Tax was substantially higher by **24.86%** at **Rs. 2.26 Crores** (Rs. 1.81 Crores).

The Board considers the overall performance reasonable in view of difficult market condition both domestic and international.

DIVIDEND :

In Order to conserve the Company resources for its future activities, yours Director have decided not to recommend any dividend on Equity shares for the period ended on 31st March, 2004.

PUBLIC DEPOSIT :

During the year under review your Company has not accepted deposits from public. The Company has made premature payments, which were claimed by the investors during this year. There is no outstanding deposit, which is matured and not claimed.

FORFEITURE OF EQUITY SHARES :

The Company has forfeited 107100 equity shares in the month of May, 2004 due to non payment of allotment money by the shareholders.

CHANGE IN REGISTERED OFFICE :

The Registered Office of the Company has been changed from TILAK ROAD, DUTTA PURA, MORENA to JIWAJI GANJ, MORENA w.e.f. 1st of July, 2004.

PARTICULARS OF EMPLOYEES :

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.



K. S. OILS LIMITED

DIRECTORS :

The Board of Directors on 01/04/2004 appointed Shri Pramod Kumar Mandloi as Additional Director of the Company. Pursuant to the Section 257 of the Companies Act, 1956, Company has received Notice along with requisite deposit from a member signifying his intention to propose him for the office of Directors.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Mohan Lal Garg & Shri Brij Mahendra Nandan Singh retire by rotation and are eligible, for re-appointment.

Shri Chandra Kamal Bhuyan has resigned from the Board with effect from 01/04/2004. The Board place on record its appreciation of the valuable services rendered by Shri Chandra Kamal Bhuyan during his tenure.

CORPORATE GOVERNANCE :

Report on the Corporate Governance and management Discussion and Analysis has been attached with this report.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE :

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of a Particular in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is given in the Annexure forming part of the report.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to requirement under Section 217(2AA) of the Companies Amendment Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed :

- That in preparation of Annual account for the financial year ended on 31st March, 2004 the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- That the director had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review;

- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- That the Directors have prepared the annual accounts for the financial year ended 31.03.2004 on a 'going concern' basis.

AUDITORS REPORT :

Auditor's remark given in their report are self-explanatory and therefore do not call for any further comments or explanations.

AUDITORS :

M/s Rathi & Co., Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office in terms of Section 224(1B) of the Companies Act, 1956, if re-appointed. The Board recommends their re-appointment.

ACKNOWLEDGMENTS :

Your Directors take this opportunity to place on record their deep sense of gratitude to the Financial Institutions, Banks, Central and State Government Authorities for their guidance and support. Your Directors are also grateful to the customers, suppliers, and business associates of your Company for their continued co-operation and support. Your Directors also express their appreciation and gratitude for the sincere and unstained services rendered by all executives, staffs and workers at all level of operations for the success and progress of the Company. Your Director are deeply grateful for the confidence and faith shown by all shareholders of the Company.

For and on behalf of the Board

Ramesh Chand Garg
(Chairman)

Place : Morena
Dated : 31st August, 2004

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ANNEXURE - A

Particularly required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY :

The Company has constantly been exploring various means of conserving energy.

a) Energy conservation measure taken :

New Generator of 1500 KVA were installed during the year.

b) Additional Investment and proposal if any being implemented of reduction of consumption of energy : Nil

Impact of the measures taken at (a) & (b) above the reduction of energy consumption and consequential impact on the cost of production of goods :

FORM-A

(See rule 2)

Form for Disclosure of particularly with respect to the conservation of energy.

(A) POWER AND FUEL CONSUMPTION

PARTICULARS	31/03/2004	31/03/2003
1. Electricity :		
(a) Purchase		
Units	3,883,680	4,000,626
Total Amount (Rs)	19,743,694	19,352,087
Rate Unit (Rs)	5.08	4.84
(b) Own Generation		
(I) Through diesel generator		
Units	7,236,094	6,668,192
Unit per liters of Diesel Oil (Rs)	3.50	3.50
Cost/Units (Rs)	5.41	4.87
(II) Through steam turbine/generator	N.A.	N.A.
(III) Through Kerosene Generator		
Units	475,498	--
Total Amount	2,555,261	--
Rate Units (Rs)	5.37	--
2. Coal :		
Quality (MT)	12,862	15,355
Total Cost (Rs)	28,113,920	32,900,208
Average Rate (Rs)	2,185.81	2,142.64
3. Furnace Oil :		
Quality (MT)	--	--
Total Cost (Rs)	--	--
Average Rate (Rs)	--	--
4. Others :		
Quality (MT)	--	--
Total Cost (Rs)	--	--
Average Rate (Rs)	--	--

B. Consumption per Unit of Production :

	Standard (If any) (PMT)	Current Year (PMT)	Previous Year (PMT)
Production :			
(with details) unit			
(123487 MT. of Oil, DOC, Vanaspati Ghee)			
Electricity	--	93.89	78.33
Furnace Oil	--	--	--
Coal	--	0.11	0.12
Others	--	--	--

(B) TECHNOLOGY ABSORPTION

The Company is having a well-equipped laboratory engaged in control and up-grading of Edible oils under Agmark.

FORM - B

(See rule-2)

Form the disclosure of particulars with respect to absorption.

Research & Development :**1. Specific area in which R&D carried out by the Company :**

Company has entered into a tripartite agreement with the Council of Scientific and Industrial Research (CSIR) and Regional Research Laboratories (RRL), Trivandrum for establishment of 50 TPD Red Palmoline & Zero Trans Shortening production unit. This will help to make Refined Palm Oil as per International Standard to make it completely free from cholesterol.

2. Benefit derived as a result of the above R&D :

Quality of Mustard Oil, Soybean Oil and Vanaspati ghee has improved considerably and matches with International Standards.

3. Future Plan of Action :

To make Refined Palm Oil as per International Standard to make it completely free from cholesterol.

4. Expenditure on R&D : Nil**Technology absorption, adaptation and innovation :****1. Efforts made :**

Manufacturing of Bakery Vegetable Ghee.

2. Benefits :

Efforts have led to improved efficiencies.

(B) FOREIGN EXCHANGE EARNING AND OUTGO

	(Rs. in Lacs)	
PARTICULARS	2003-04	2002-03
(i) Foreign Exchange Earned		
Earning on FOB basis	4,093.14	1,715.48
(ii) Outgo of Foreign Exchange		
a) Value of Imports on CIF basis		
Raw Material (Oil)	9,030.67	8,654.78
b) Expenditure in foreign currency		
Others	1.02	6.17



K. S. OILS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

K. S. OILS LIMITED is one of India's largest/ leading manufactures of Mustard Oil, Refinery Oil and Vanaspati. The Key business segments of the Company are Oil, Solvent, Refinery and Vanaspati division. The Plant of the Company situated at Industrial Area, A. B. Road, Morena (M. P.) is largest and most integrated plant and plays a major role in sustaining agriculture productivity in Edible Oils, Vanaspati, Oil Cakes and DOC etc. Your Company is one of the top and regular suppliers of Edible Oils to Defence department, Government of India and export of rape/ Soya DOC.

INDUSTRIAL STRUCTURE AND DEVELOPMENTS :

The Company is having Oil/Refinery, Solvent Division and Vanaspati Division, Cultivation of Soya and Mustard in India is mainly in the state of Madhya Pradesh, Rajasthan and Maharashtra. All these three states constitute 90% of total Soyabean production and 95% of total mustard production of the country. In the Processing of Mustard seed and Soya seed the output of mustard edible oil, refined oil, de-oiled cake and by way of by product soap stock, spentearth and Acid oil. The price of de-oiled cake is based on the international demand and supply. In vanaspati unit main input are Crude Palm Oil and output are Vanaspati Ghee and Palm fatty. The Industry is having surplus capacity in country level.

OPPORTUNITIES AND THREATS :

K. S. OILS LIMITED is an active player in India for manufacturing of Crude Mustard Oil, Refined Oil and Vanaspati Ghee from home consumption as well as Solvent Oil for industrial consumption.

Yours Company engaged in providing basic human necessity the demand which is for unlike to abate, considering the large population base of the country and the low per capita consumption of edible oil, demand would never fall.

Deep Customer relationship, track record, strong technology skills, domain knowledge and flexible plant capacity adequately protects the business from change the consumption pattern due to variations consumer test and preferences, as well as enhancing business from exiting customer and accruing new customers.

Growth rate of domestic supply of edible oil sector is continuing declined. Agro based industrial sector depends on international trade for both raw material as well as part of finished products with attend the currency risk and government policies for trade and taxes.

OUTLOOK :

The Product brand of our Company are actively traded in the leading commodity markets and are

often looked upon as the trend-setters in the edible oil segment. Crude mustard oil is popular in the North East States, Assam, Chattishgarg & Bengal Region. Refined Oil & Vegetable Ghee having a market in almost every part of India.

RISK & CONCERNS :

The demand supply scerio for edible oil in India continues to indicate shortage of domestic supply. Crop production, as is common with any agro commodity, continues to be effected by the vagaries of nature.

India has the world fourth largest edible oil economy. Yet a major portion of supplies are imported. Evidently import would continue to be significant supply source. Success in this industry therefore requires operational flexibility to freely adapt to both indigenous and import supplies.

The Company does not perceive any risks are concerns other than those which are common to industry such as regulatory risks, exchange risks and other commercial & business related risks.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

The Company has laid out comprehensive internal control procedures in all areas of business activities. This system of internal control is ably and efficiently supplemented by internal audit carried out by competent professionals retained by the Company. Areas of risk are identified and categorized and the extent and frequency of audit is decided accordingly. The Audit Committee of the Board regularly reviews internal audit reports. statutory compliances across all functions are also regularly checked and reported to the Board.

HUMAN RESOURCES :

The relation between the employees and the Company remained cordial throughout the year. The Company continues to focus on training and development of the employees.

DISCUSSION OF FINANCIAL PERFORMANCE :

The financial performance of the Company for the year has been discussed in the Director's Report and Cash-flow Statement is annexed with the Annual Accounts.

CAUTIONARY STATEMENT :

Statements in this Management Discussions and Analysis, describing the Company's objectives, projections, estimations may constitute "forward looking statements" within the meaning of applicable laws and regulations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.