K.S. OILS LIMITED

Regd. Office: K.S. Oils Limited, Jiwaji Ganj, Morena (M.P.) – 476 001
Tel: +91-7532-300000 Fax: +91-7532-405060
E-mail: investors@ksoils.com Website: www.ksoils.com

NOTICE
[Pursuant to section 192A of the Companies Act, 1956]

Dear Member(s),

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956 and Companies (Passing of resolution by Postal Ballot) Rules, 2011, for the consent of the Members of K. S. Oils Limited ("KSO" or "Company") for the proposed resolutions set out below, which is sought to be obtained by means of Postal Ballot. The Explanatory Statement stating all material facts and the reasons for the proposal is also appended hereto for your consideration. The company has appointed a scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form (appended hereto) and return the form duly completed in the attached self-addressed postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours on August 13, 2012 . Please note that Postal Ballot Form(s) received after the said date will be treated as not having been received.

The Scrutinizer will submit his report to the Chairman & Managing Director / any one of the Whole-time Directors of the Company after completion of the scrutiny and the result of the voting by Postal Ballot will be declared on August 17, 2012 at the Registered Office of the Company at Jiwajiganj, Morena (M.P.), India – 476 001. The shareholders are invited at the Registered Office of the Company at the time of declaration of result.

The date of declaration of result shall be deemed to be date of passing of the said resolution. Approval of the members of the Company is sought by way of Postal Ballot in respect of the following businesses:

SPECIAL BUSINESSES:

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

"RESOLVED THAT pursuant to section 94 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs.90,00,00,000 (Rupees Ninety Crores Only) divided into 90,00,00,000 (Ninety Crores) Equity Shares of Re.1/- each (Rupee one only) to Rs. 4,50,00,00,000 (Rupees Four Hundred Fifty Crores Only) divided into 1,50,00,00,000 (One Hundred Fifty Crores) Equity Shares of Re.1/- each (Rupee one only) and 30,00,00,000 (Thirty Crores) 1% Cumulative Redeemable Preference Shares (CRPS) of Re. 10/- (Rupee Ten only) each."

"RESOLVED FURTHER THAT the clause V of the Memorandum of Association of the Company be and is hereby altered as under:

In Clause **V of the Memorandum of Association, for the words and figures** *"The Authorised Share Capital of the Company is Rs. 4,50,00,00,000 (Rupees Four Hundred Fifty Crores Only) divided into 1,50,00,00,000 (One Hundred Fifty Crores) Equity Shares of Re. 1/- (Rupee one only) each and 30,00,00,000 (Thirty Crore) 1% Cumulative Redeemable Preference Shares of Re. 10/- (Rupee Ten Only) each." be substituted."*

2. To consider and, if thought fit, to pass with or without modifications, the following as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company, be and is hereby altered by deleting the existing Article 3 and substituting in its place and instead thereof, the following new Article 3.

"3. The Authorised Share Capital of the Company is Rs. 4,50,00,00,000 (Rupees Four Hundred Fifty Crores Only) divided into 1,50,00,00,000 (One Hundred Fifty Crores Only) Equity Shares of Re. 1/- each (Rupee One only) and 30,00,00,000 (Thirty Crore) 1% Cumulative Redeemable Preference Shares of Re. 10/- each (Rupee Ten Only), with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively, such preferential, deferred qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956, or by the Articles of Association of the company for the time being."

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to Section 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the respective Stock Exchanges where the shares of the Company are listed and subject to the consent/approval/permission/sanction of all appropriate statutory and other authorities, including the Government of India, SEBI, RBI to the extent necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company and/or a duly authorized committee thereof, the consent and approvals of the members be and are hereby accorded to the offer/issue up to 30,00,00,000 (Thirty Crores) of 1% Cumulative Redeemable Preference Shares of Re. 10 /- each aggregating to a nominal amount not exceeding Rs. 3,00,00,00,000/- (Rupees Three Hundred Crore Only) to the respective banks as specified in the Explanatory Statement or the Master Restructuring Agreement ("MRA") in one or more tranches on such terms and conditions as the Board of Directors thereof may in its absolute discretion determine and finalise."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to do all such acts, deeds, matter and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds and to finalise and execute all documents and writings as may be necessary proper, desirable or expedite."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the Section 293(1)(a) of the Companies Act, 1956 the company be and is hereby authorized the Board to sell or dispose of its wind energy unit as per the Corporate Debt Restructuring Empowered Group approved on December 20, 2011 and approval letter dated January 12, 2012."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to authorize any director severally or jointly to execute any deeds or documents as may be required for the same and to do all such acts, deeds and things as may be required for giving effect to this resolution."

By Order of the Board

Ankit Jain
Company Secretary

Date: May 14, 2012
Place: Morena
Registered Office:
Jiwaji Ganj, Morena (M.P)

NOTES:

1. The Consent of the Shareholder is solicited by passing an Ordinary Resolution for Item No. 1 and a Special Resolution for Item No.2 to 4 by way of Postal Ballot as detailed in the Notice.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts in respect of the Special Business to be transacted at the meeting is annexed hereto.
3. Notice is being sent to all the Members through post whose name would appear in the Register of Members as on June 29, 2012.
4. The resolution, if assented to by requisite majority, shall be taken as passed on August 17, 2012.
5. The Board has appointed Mr. Sandeep Kumar, a practising Company Secretary as the Scrutiniser for conducting the Postal Ballot voting process.
6. A Postal Ballot Form along with a self addressed postage prepaid envelope is sent herewith. The Members are requested to indicate their assent or dissent about the aforesaid business in the Postal Ballot Form and return the same to the Scrutinizer not later than the close of working hours on August 13, 2012 . A Postal Ballot form received after this date will be strictly treated as if the reply from the members has not been received.
7. The result of the Postal Ballot shall be announced by the Chairman & Managing director/ any one whole time director on August 17, 2012 at the Registered Office of the Company i.e., Jiwajiganj, Morena (M.P.) – 476 001 and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman & Managing director/ any one whole time director, if the result of the Postal Ballot indicates that the requisite majority of the shareholders had assented to the resolutions.
8. As required by Rule 3 (c) of the Companies (Passing of resolution by Postal Ballot) Rules, 2011, details of despatch of Notice and Postal Ballot paper to the Shareholders will be published in 1 (One) English and 1 (One) Vernacular Language newspaper circulating in Madhya Pradesh.
9. All documents referred to in the accompanying Notice and the Explanatory Statement are available for inspection at the Registered Office of the Company during office hours on all working days (except Saturdays, Sundays and Holidays) between 11.00 a.m. and 1.00 p.m. up to the date of the announcement of the result of the Postal Ballot.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to the provisions of section 173(2) of the Companies Act, 1956 and SEBI ICDR Regulations 2009

Item no. 1 & 2

The Present authorized share capital of the Company is Rs. 90.00 Crores. It is proposed to increase the authorized share capital of the Company from Rs.90,00,00,000 Crores (Rupees Ninety Crores only) divided into 90,00,00,000 Crores (Ninety Crores) equity shares of Re.1/- each to Rs. 4,50,00,00,000 (Rupees Four Hundred Fifty Crores Only) divided into 1,50,00,00,000 (One Hundred Fifty Crores) Equity Shares of Re.1/- each (Rupee one only) and 30,00,00,000 (Thirty Crore) 1% Cumulative Redeemable Preference Shares of Re. 10/- (Rupee Ten Only) each.

The Board of Directors at their meeting held on May 14, 2012, approved the proposal for increase in Authorized Share Capital of the Company and consequent amendments to the Memorandum and Articles of Association of the Company. Increase in Authorized Share Capital would necessitate amendment to the Clause V of the Memorandum of Association and Clause 3 of Articles of Association of company and would require member's approval by passing ordinary and special resolution. The draft amended copies of the Memorandum and Articles of Association have been placed at the Registered Office of the Company for the purpose of inspection.

None of the Directors of the company is interested or concerned in the resolution except as a member of the Company. The Board recommends the resolution set forth in item No.1 as Ordinary Resolution and Item No. 2 as the Special Resolution for the approval of the members.

Item No. 3

Article 14 of the Articles of Association of the Company authorizes the Company to issue the Cumulative Redeemable Preference Shares of the Company. As the Corporate Debt Restructuring Cell had approved the CDR package so, in pursuance of the CDR package the Company is required to issue the 1% Cumulative Redeemable Preference Shares (CRPS) to the following Concerned Banks in their proportions of the loans as specified in table below:

Lender	CRPS arising out of (Amount Rs. In Crores)				
	Edible Oil Term Laon	Haldia Term Loan	Unsecured Term Loan	Working Capital Term Loan	Total
State Bank of India	17.26	-		48.44	65.70
Axis Bank Ltd.	29.87	-		25.43	55.31
State Bank of Mysore	18.00	-		-	18.00
Federal Bank Limited	10.00	-		-	10.00
J&K Bank Limited	20.00	-		-	20.00
Central Bank of India	-	6.42		20.20	26.62
ICICI Bank Ltd.	-	7.20		2.00	9.20
Andhra Bank	-	-		21.88	21.88
IDBI Bank Ltd.	-	-		18.77	18.77
Punjab National Bank	-	-		8.40	8.40
Bank of India	-	-	6.00		6.00
LIC of India	-	-	18.19		18.19
SREI Infrastructure Finance Limited	-	-	20.42		20.42
Total Amount	95.14	13.62	44.61	145.10	298.47

* ***Figures are expressed in Rs. Crores***

Terms and Conditions of issue of CPRS are as follows:

- The CRPS arising out of conversion of 20% of all term loans (except the Wind Mill Term Loan) aggregating to Rs. 298.47 crore shall carry a dividend of 1% p.a. Dividend shall be payable at the end of each year from the date of allotment of the CRPS till the date of redemption.
- The CRPS shall be redeemable after completion of 7 (seven) years from the date of allotment of the same i.e., in FY 2021 with a redemption premium of 64% on Face Value.
- Payment of redemption premium is subject to the condition that the same being paid out of the cash balance available with the Company and is in excess of Rs. 75 crore

None of the Directors of the company is interested or concerned in the resolution except as a member of the Company.

The Board recommends the resolution set forth in item No.3 as the Special Resolution for the approval of the members.

Item No. 4

The Company is currently in the process of completing the restructuring of its debts as discussed earlier in the Notice. Under Section 293(1)(a) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the shareholders, sell the assets of the Company. But as per the CDR package approval dated December 20, 2011, the Company needs to sell out its wind mills and the proceeds out of the sale shall be reimbursed to the CDR Lenders in the proportionate mentioned in the CDR package. So to make effective of the clause to sale of Wind Mills, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956, before the sale of such wind mills.

The Board recommends passing of the special resolution as set out in Item No. 4 of the accompanying notice.

None of the Directors of the Company is concerned or interested in the passing of the resolution.

By Order of the Board

Ankit Jain
Company Secretary

Date: May 14, 2012
Place: Morena
Registered Office:
Jiwajiganj, Morena (M.P) – 476 001

NOTES

1. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
2. The Company has appointed Mr. Sandeep Kumar, Practicing Company Secretary, as scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.
3. Mr. Sandeep Kumar will hold the position of Scrutinizer from the date of posting of this notice until submission of his final report to the Chairman & Managing Director / any one of the Whole time Director on August 16, 2012.
4. The Scrutinizer will be available at the Registered Office of the Company for the purpose of ascertaining the requisite majority. The Postal Ballot and all other documents relating to the Postal Ballot will be under his safe custody until the Chairman & Managing Director / any one of the Whole time Director considers, approves and signs the minutes of the proceedings of the meeting at which the resolutions will be deemed to have been passed.
5. The result of the Postal Ballot will be declared by the Chairman & Managing Director / any one of the Whole time Director on August 17, 2012 and the date for passing of the resolutions will be the said date.

K.S. OILS LIMITED
Regd. Office: K.S. Oils Limited, Jiwaji Ganj, Morena (M.P.) – 476 001
Tel: +91-7532-300000 Fax: +91-7532-405060
E-mail: investors@ksoils.com Website: www.ksoils.com

Name(s) of Shareholder(s)
(In BLOCK LETTER)
(Including joint holders, if any)

Registered address of the sole/first named shareholder:

Registered Folio No./
Demat A/c No.*
(*Applicable to investors holding Shares in the dematerialized form)

Number of Shares held:

I/We hereby exercise my/our vote in respect of the following RESOLUTIONS to be passed through Postal Ballot for the businesses stated in the Notice dated May 14, 2012 of the Company, by sending my/our Assent or Dissent to the said resolutions by placing tick (√) marks at the appropriate boxes below:

	Brief Description of Resolutions	No. of Shares	Please place tick (√) at the appropriate place	
			Assent	Dissent
1.	Ordinary Resolution under section 94 of the Companies Act, 1956, for increasing the Authorised Share Capital or the Company and under Section 16 for alteration of Clause V of the Memorandum of Association of the Company pertaining to the Authorised Shares Capital			
2.	Special Resolution under section 31 of the Companies Act, 1956, for alteration of Article 3 of the Articles of Association of the Company pertaining to the Capital clause			
3.	Special Resolution under Section 80 & 81 to Authorise the Board for issue of 1% Cumulative Redeemable Preference Shares			
4.	Special Resolution under section 293(1)(a) of the Companies Act, 1956 for delegation of authority to the Board for sale the assets of Wind Mills			

Place:
Date:

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(Signature of the Shareholder)

INSTRUCTIONS

1. A members desiring to exercise vote by Postal Ballot has to complete this Postal Ballot Form and send it to the scrutinizer in the attached self-addressed business reply envelope. Members need not affix postal stamps since the postage will be paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by registered post at the expense of the registered shareholders will also be accepted.
2. The self addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder (as per the specimen signature registered with the Company / Depository Participant). In case of joint holding this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder.
4. Incomplete and unsigned Postal Ballot Form will be rejected.
5. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on August 13, 2012. Postal Ballot Form received after this date will be strictly treated as if the reply from the members has not been received.
6. Voting rights shall be reckoned on the paid up value of shares registered in the name(s) of the shareholders on June 29,2012.
7. In case the shares held by the bodies corporate or by persons authorised under power of attorney, the Postal Ballot Form signed in representative capacity must be accompanied by a certified true copy of the resolution of the Board of Directors of the concerned body corporate or by an attested true copy of the power of attorney authorizing such person, as the case may be, along with a specimen signature of the said authorised representative or power of attorney holder. If the same is / are already registered with the Company / Depository Participant, please quote the Registration No. beneath the signature. Where the Postal Ballot Form has been signed by a representative of the President of India or by the Governor of a State, a certified true copy of the nomination should accompany the Postal Ballot Form.
8. Members are requested not to send any other document along with the Postal Ballot Form in the enclosed self addressed envelope in as much as all such envelopes will be delivered to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.

Cut Along The Dotted Line
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