



K. S. OILS LIMITED

MD	/		BKC	/
CS	/		DPY	/
RO	/		DIV	/
TRA	/		AC	/
AGM	/		SHI	/
YE	/			/

Report  junction.com

12th Annual Report 1996-97





K. S. OILS LIMITED

BOARD OF DIRECTORS

SHRI OM PRAKASH GARG (Chairman)

SHRI RAMESH GARG (Managing Director)

SHRI MOHAN LAL GARG

SHRI GOVIND GARG

SHRI GOPAL DAS GARG

BANKERS

CENTRAL BANK OF INDIA

AUDITORS

LADHA RATHI & CO.

Chartered Accountants

REGISTERED OFFICE

TILAK ROAD, DUTTAPURA,
MORENA-476 001 (M. P.)

FACTORY

A. B. ROAD, INDUSTRIAL AREA,
MORENA-476 001 (M. P.)

REGISTRARS & TRANSFER AGENTS

ANKIT CONSULTANCY (P.) LTD.
IInd FLOUR, ALANKAR POINT,
GEETA BHAWAN CHAURAH, A,
INDORE-452 001 (M. P.)


K. S. OILS LIMITED
2

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of K. S. Oils Limited will be held at Hotel Radhika Palace, Near Bus Stand, Morena on Tuesday the 30th day of September, 1997 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, 1997 and Profit & Loss Account for the year ended on that date together with reports of the Auditors & Directors thereon.
2. To declare a dividend for the year ended March 31, 1997
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

RESOLVED that pursuant to section 370 of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to make any Loan including deposits and give any guarantee or provide any security in connection with a loan made by any other person to, or to any other person by any body corporate to any body corporate (whether or not under the same management as the Company) on such terms and conditions as the Board may think fit notwithstanding that in the case of Loans/deposits made to bodies corporate not under the same management as the Company the aggregate of such loans/deposits may exceed 30 per cent of the aggregate of the subscribed capital of the Company and its free reserves provided that the aggregate of the loans/deposits made to all bodies corporate shall not exceed, without the prior approval of the Central Government, (a) in the case of bodies corporate not under the same management as the Company, 30 per cent of the aggregate of the subscribed capital of the Company and its free reserves, and (b) in the case of bodies corporate under the same management as the Company, 30 per cent of the aggregate of the subscribed capital of the Company and its free reserves.

5. RESOLVED that in accordance with the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby authorises the Board of Directors of the Company to contribute and subscribe on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which will in any financial year exceed Rs. 50,000 or 5% of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the said Act, during the three financial years immediately preceding subject to the maximum of Rs. 1,00,000 or 5% of the Company's average net profits determined as aforesaid, whichever is greater.

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a Poll instead of himself and proxy need not be a Member of the Company and proxy in order to be effective must be received at the company's registered office not less than 48 (forty eight) hours before the time of meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 7th September, 1997 to 18th September, 1997 (both days inclusive)
3. The dividend as recommended by the Directors, if declared at the Annual General Meeting shall be paid to those Members whose names appear on the Register of Members as on 18th Sept., 1997.
4. The dividend, if declared, will be exempt from Income tax in the hands of the Members in terms of the relevant provisions of the Finance Act, 1997
5. Members may please bring their copies of the Annual Report to the Meeting.
6. Members/Proxies should bring their attendance slip duly filled in alongwith them for attending the meeting.
7. Members are requested to notify immediately change in address, if any, to the Company.
8. The explanatory statement setting out material facts in respect of the business under Item Nos. 4 to 5 Annexed hereto.

Regd. Office
Tilak Road, Duttapura,
Morena-476 001
PLACE: MORENA
DATED: 31st August, 1997

By order of the Board of Directors
K. S. Oils Limited

(Mohan Lal Garg)
Whole-Time Director

**K. S. OILS LIMITED****3****ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 4

Section 370 of the Companies Act, 1956 provides in relation to loans/deposits to bodies corporate, that a Company (which is within the terms of the section "Lending company") shall not make any loan/deposits to any body corporate unless the proposed loan/deposit has been previously authorised by a special resolution of the members of the lending company. Such a special resolution will not be required for the loans/deposits to other bodies corporate not under the same management as the lending company where the aggregate of such loans/deposits does not exceed 30 per cent of the aggregate of the subscribed capital and free reserves of the lending company.

Even after the passing of a special resolution by the members of the lending company, the aggregate of the loans/deposits to other bodies corporate not under the same management as the lending company shall not, except with the prior approval of the Central Government, exceed 30 percent of the subscribed capital and free reserves of the lending company and the aggregate of the loans to bodies corporate under the same management as the lending company shall not, except with such approval of the Central Government exceed 30 per cent of the subscribed capital and free reserves of the lending company.

In view of Explanation to sub-section (1) of the said section a special resolution may be passed by the members of the lending company authorising the making of loans deposits up to the aforesaid limit of 30 per cent and 30 per cent and in excess of the said limits with the prior approval of the Central Government and to special resolution shall be required for the making of and loan/loans/deposits within such limits which fall under the said section.

In the course of its business the Company has to give loans/deposits to bodies corporate and your Directors consider that under section 370 of the Act, the Board of Directors should be empowered to grant such loans deposits up to the limits of thirty per cent of its subscribed capital and free reserves and in excess of such limits with the prior approval of the Central Government. However guarantee to the any extend can be given by Board of Directors. It is, therefore, proposed that a special resolution be passed by the members of the Company authorising the Board to lend money make deposits as provided in the special resolution.

No Director is interested or concerned in the resolution.

Item No. 5

The Company is authorised by its articles to subscribe to charitable and other funds not directly relating to the business of the Company or the welfare of its employees. By virtue of section 293(1)(e) of the Act, however, the maximum limit which can be so subscribed in any financial year is Rs. 50,000 or 5% of the Company's average net profits as determined in accordance with sections 349 and 350 of the Companies Act, 1956, during the three immediately preceding financial years, whichever is greater. Section 293(1)(e) permits such subscriptions in excess of these limits if shareholders approve. As such, your Board seeks sanction to make such subscriptions in a financial year up to a limit of Rs. 1,00,000 or 5% of the Company's average net profits as determined in accordance with sections 349 and 350 of the Companies Act, 1956, during the three immediately preceding financial years, whichever is greater.

No Director is interested or concerned in the resolution.

Regd. Office
Tilak Road, Duttapura,
Morena-476 001
PLACE : MORENA
DATED : 31st August, 1997

By order of the Board of Directors
K. S. Oils Limited

(Mohan Lal Garg)
Whole-Time Director


K. S. OILS LIMITED
4

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Twelfth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1997

FINANCIAL HIGHLIGHTS :

	(Rs. in Lacs)	
	1996-97	1995-96
Sales	16,254.09	19,101.39
Export sales	3,421.19	2,014.61
Gross Profit for the year		
before interest and Depreciation	614.64	624.64
Interest	439.54	413.33
Depreciation	67.88	59.86
Provision for tax	20.00	4.00
Profit after Taxation	87.22	147.45
Proposed dividend	25.00	60.00
Tax on proposed dividend	2.50	--
Transfer to General Reserve	70.00	70.00
Balance in P & L a/c B/F from previous year	125.63	108.19
Balance in P & L a/c carried Forward to next year	115.35	125.63

OPERATIONAL HIGHLIGHTS :

During the year under review, your company, inspite of depressed market conditions, recorded turnover of Rs. 197 Crores against the turnover of Rs. 211 Crores during the last year, the Company achieved Profit before tax of Rs. 1.08 Crores and Profit after tax of Rs. 0.87 Crores during 1996-97 against Rs. 1.51 Crores and Rs. 1.47 Crores in the previous year.

During the year the Company was awarded by Solvent Extractors Association of India (SEA) for Exporting of highest quantity of rapeseed extraction in the Country.

FUTURE PROSPECTS :

Your company in continuously supplying the quality goods to the Defence, Foreign buyers and Domestic consumer, the Company is planning to change the product mix to improve profitability and export.

DIVIDEND :

Your Directors are pleased to recommend a dividend of 5% for the year.

PUBLIC DEPOSIT :

The Company has not invited or accepted any deposit from the public during the year.

COMPARISON OF ACTUAL RESULTS WITH PROJECTIONS :

As required by clause 43 of the listing Agreement, the following is the comparison of actual financial results for 1996-97 with the projections made in the Prospectus dated 30th Aug. 1993

Particulars	(Rs. in Lacs)	
	Projection for the Year 1996-97	Actual for the Year 1996-97
Net Sales	20079	19675
Profit Before Tax	500	108
Profit After Tax	357	87

The reason for adverse variation in Profitability is increase in the material cost was not responded properly in terms of Sales. The recession is global and Domestic Market is also the factors for low profitability.

AUDITORS :

M/s Ladha Rathi & Co. Chartered Accountants, the Auditors of your company shall be retiring at the conclusion of the forth coming Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITOR'S REPORT :

The Auditors report and Notes on Accounts are self-explanatory and hence no further explanation is necessary.

PARTICULARS OF EMPLOYEES :

The Information as required under section 217(2A) of the Companies Act, 1956 read with rules framed thereunder is Nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO :

The Information as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in Annexed hereto and forms a part of this report.

**K. S. OILS LIMITED**

5

INDUSTRIAL RELATION :

The Employer-Employee relations remained cordial throughout the year under review. The Directors wish to place on record their sincere appreciation for the dedicated services of the employees at all levels.

ACKNOWLEDGEMENTS :

The Board of Directors would like to thank the shareholders, customers, dealers, suppliers and bankers for their unstinted support during the year.

For and on behalf of the Board of Directors

PLACE : MORENA
DATED : 31st August, 1997

(Om Prakash Garg)
Chairman

ANNEXURE TO THE DIRECTOR'S REPORT

The Companies (Disclosure of Particulars in the Report of Board of Director's) Rules, 1988.

CONSERVATION OF ENERGY

The Company has constantly been exploring various means of conserving energy. The trust has been towards economising steam and fuel consumption reducing process losses and an active maintenance programme to ensure effective utilisation of the electrical equipment.

Total Energy Consumption & Energy Consumption per Unit of Production

(A)	Power & Fuel Consumption	Current Year	Previous Year
1.	Electricity		
(a)	Purchased unit	39,19,086	49,21,040
	Total Amount	1,53,63,044	1,45,87,712
	Rate Unit	3.92	2.96
(b)	Own generation through Diesel		
	Generator Units	14,44,100	2,19,611
	Unit per litre of Diesel Oil	3.50	3.50
	Cost/Unit	2.76	2.67
	Through Steam turbine/Generator Unit	---	---
	Unit per litre of fuel	---	---
	Oil/Gas	---	---
	Cost/Unit	---	---
2.	Coal		
	Quantity (MT)	6,546	7,560
	Total Cost	1,09,69,589	1,29,96,999
	Average Rate	1675.77	1,719.18
3.	Furnace Oil		
	Quantity	Nil	Nil
	Total Amount	---	---
	Average rate	---	---
4.	Consumption per Unit of production product (Oil, Oil cakes, deoiled cake)	Standard if any (PMT)	Actual Current Year (PMT)
	1,02,171 MT includes production of job work		
	Electricity	Nil	52.49
	Furnace Oil	---	---
	Coal	---	0.064

(B) TECHNOLOGY ABSORPTION

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

(C) FOREIGN EXCHANGE EARNINGS AND OUT GO

The detail of foreign exchange earnings & outgo during the year are as under :

(a)	Capital Account	Inflow	Out flow
	Capital Goods	Nil	Nil
(b)	Revenue Account		
	Export sales	34,21,19,484	---
	Imports on CIF basis	---	---
	Travelling		10,75,462

For and on behalf of the Board of Directors

PLACE : MORENA
DATED : 31st August, 1997

(Om Prakash Garg)
Chairman