



K. S. OILS LIMITED

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13th Annual Report 1997-98





K. S. OILS LIMITED

BOARD OF DIRECTORS

SHRI OM PRAKASH GARG (Chairman)

SHRI KISHORE KUMAR 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 CHAURAHA,
INDORE-452 001 (M. P.)**

**K. S. OILS LIMITED****2****NOTICE**

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of K. S. Oils Limited will be held at Hotel Radhika Palace, Near Bus Stand, Morena on Wednesday the 30th day of September, 1998 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, 1998 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, 1998.
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 Shri Kishore Kumar Garg be and is hereby appoints as Managing Director with effect from 01-09-1998 for a period of 5 years i.e. 31 August, 2003 on the following terms and conditions.

- i. Salary of Rs. 25,000/- per month inclusive of all other allowances.
- ii. Medical Reimbursement for self family (Consulting or admission for self and his wife, dependent children and dependent parents, if any) subject to a ceiling of one months' salary per year or 3 months salary over the period of 3 years.
- iii. Leave travel allowance for self and family aforesaid once in a year accordance with the rules specified by the company.
- iv. Clubs fees of clubs subject to maximum of 2 clubs. This will not include admission and life membership fees.
- v. Personal accident insurance premium not exceeding Rs. 5,000/- p.a.

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 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, 1998 to 18th September, 1998 (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., 1998.
4. Members are requested to notify immediately change in address, if any, to the Company.
5. The explanatory statement setting out material facts in respect of the business under Item Nos. 4 Annexed hereto.

Regd. Office
Tilak Road, Duttapura,
Morena-476 001
PLACE: MORENA
DATED: 3rd September, 1998

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

(Govind Garg)
Whole-Time Director

ANNEXURE TO THE NOTICE

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

Item No. 4

In the vacancy caused on the Board by the resignation of Shri Ramesh Chand Garg on personal grounds. It is decided by the Board to appoint Shri Kishore Kumar Garg as Managing Director of the company for a period of 5 years with effects from 01-09-1998. He has extensive experience in Marketing and Production matters. The appointment of Shri Kishore Kumar Garg as Managing Director will be in conformity with the requirement of Part-I and II of Schedule XIII of the Companies Act, 1956 read with Part III of that Schedule.

All the Directors of the Company are interested in the resolution.

Regd. Office
Tilak Road, Duttapura,
Morena-476 001
PLACE: MORENA
DATED: 3rd September, 1998

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

(Govind Garg)
Whole-Time Director



K. S. OILS LIMITED

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DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Thirteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1998

FINANCIAL HIGHLIGHTS :

	(Rs. in Lacs)	
	1997-98	1996-97
Sales	17196.54	16,254.09
Export sales	2113.79	3,421.19
Gross Profit for the year		
before Interest and Depreciation	805.35	614.64
Interest	610.14	439.54
Depreciation	78.45	67.88
Provision for tax	9.00	20.00
Profit after Taxation	107.76	87.22
Proposed dividend	25.00	25.00
Tax on proposed dividend	2.50	2.50
Transfer to General Reserve	70.00	70.00
Balance in P & L a/c B/F from previous year	115.36	125.63
Balance in P & L a/c carried		
Forward to next year	125.62	115.36

OPERATIONAL HIGHLIGHTS :

During the year under review, your company, inspite of depressed market conditions, recorded turnover of Rs. 193 Crores against the turnover of Rs. 197 Crores during the last year, the Company achieved Profit before tax of Rs. 1.17 Crores and Profit after tax of Rs. 1.08 Crores during the year 1997-98 against Rs. 1.08 Crores and Rs. 0.87 Crores in the previous year.

FUTURE PROSPECTS :

Your company is continuously supplying the quality goods to the Defence, Foreign buyers and Domestic consumer. The Company is planning to adopt aggressive market strategy to develop consumer pack to supply Agmark grade oil to the consumer.

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.

AUDITORS :

M/s Latha 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.

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 : 3rd September, 1998

(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		2,817,532	3,919,086
Total Amount		11,418,585	15,363,044
Rate Unit		4.05	3.92
(b) Own generation through Diesel			
Generator Units		2,029,619	1,444,100
Unit per litre of Diesel Oil		3.50	3.50
Cost/Unit		3.23	2.76
Through Steam turbine/Generator Unit		---	---
Unit per litre of fuel		---	---
Oil/Gas		---	---
Cost/Unit		---	---
2. Coal			
Quantity (MT)		11,097	6,546
Total Cost		19,758,693	10,969,589
Average Rate		1780.54	1675.77
3. Furnace Oil		Nil	Nil
Quantity		---	---
Total Amount		---	---
Average rate		---	---
4. Consumption per Unit			
of production product	Standard if	Actual Current	
(Oil, Oil cakes, deoiled cake)	any (PMT)	Year (PMT)	
108,501 MT includes production of job work			
Electricity	Nil	44.67	
Furnace Oil	---	---	
Coal	---	0.102	

(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 :

		(Rs. in Lacs)
(a) Capital Account	Inflow	Out flow
Capital Goods	Nil	Nil
(b) Revenue Account		
Export sales	2113.79	---
Imports on CIF basis	---	412.57
Travelling	---	8.68

For and on behalf of the Board of Directors

PLACE : MORENA
DATED : 3rd September, 1998

(Om Prakash Garg)
Chairman

**AUDITORS' REPORT**

To the Shareholders of
K. S. OILS LIMITED

We have audited the attached Balance Sheet of K. S. OILS LIMITED, Morena, as at 31st March, 1998 and also the Profit & Loss Account of the Company for the year ended on that date in which are incorporated the accounts of branches and report that :-

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from the examination of those books.
- (c) The Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account.
- (d) In our opinion and to the best of information and according to the explanation given to us, the said accounts subject to NOTE No. 6 & 18 of SCHEDULE "P" regarding non Provision for Sales tax Demand and lower provision against Doubtful Debts read together with notes & schedules thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - (i) In the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 1998 and
 - (ii) In the case of Profit and Loss Account, of the 'Profit' for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of such checks of books and records of the Company, as we considered appropriate and on the information and explanations given to us during the course of our audit. We further state on the matter specified in paragraph 4 and 5 of the said order that :-

1. The Company has maintained proper records of its various Fixed Assets. As explained to us certain major items of Fixed Assets have been physically verified by the management during the year. According to the information and explanation given to us no material discrepancies have been noticed in respect of assets which have been physically verified during the year.
2. None of the fixed assets of the Company have been re-valued during the year.
3. The stocks of Finished Goods, (except stock with third parties) Stores and Spares, Raw-material have been physically verified by the management at the end of the year. Confirmations have not been obtained for stock of finished goods sent on consignments with third parties. In our opinion the frequency of verification was reasonable.
4. The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to book records were not material.
6. In the opinion and on the basis of our examination, the valuation of stock is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken any loans from a company listed in the register maintained under Section 301 of the Companies Act, 1956. In our opinion the terms and the conditions on which the loan is taken is not prima facie prejudicial to the interest of the Company.
8. The Company has not granted any loans secured or unsecured to the Companies, Firms or other parties listed in the register maintained under Section 301 and to the Companies under the same management as defined under Section (1B) of the Section 370 of the Companies Act, 1956.
9. The advance given to the employees are being repaid as stipulated. However, the Company has not given any other loans or advances in the nature of loan during the year.
10. In our opinion and according to the information and explanations given to us there is an adequate Internal Control Procedure commensurate with the size of the Company and the nature of its business with regard to purchase of raw-materials including components, plant and machinery, equipments and other assets and for the sale of goods.