



**K.S. OILS LIMITED**



**14th Annual Report 1998-99**



## **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 ASHWANI 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 FLOOR, ALANKAR POINT,**  
**GEETA BHAWAN CHAURAHA,**  
**INDORE-452 001 (M.P.)**

**NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of Members of **K. S. Oils Limited** will be held at hotel Radhika Place, Near Bus Stand, Morena on Wednesday the 29th day of September, 1999 at 4.00 P.M. to transact of following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt Audited Balance Sheet of the Company as at 31st March, 1999 and Profit & Loss Account for the year ended on that date together with reports to the Auditors & Directors thereon.
2. To declare dividend for the year ended March 31, 1999.
3. To appoint Auditors to hold office from 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 Ashwani Garg be and is hereby appointed as Director with effect from 1.9.99 for a period of 5 year i.e. 31 August, 2004 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 month 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 the Members and the share Transfer Books the Company will remain closed from 7th September, 1999 to 18th September, 1999 (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 on 18th Sept., 1999.
4. The dividend, if declared, will be exempt from Income tax in the hands of the Members in the terms of 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 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 Annexed hereto.

Regd. Office  
Tilak Road, Duttapura,  
Morena-476 001  
DATED : 1st September, 1999

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 Gopal Das Garg, It is decided by the Board to appoint Shri Ashwani Garg as Director of the Company for a period of five years with effect from 01.09.1999. He is MBA from Australia and has extensive experience in Marketing. The appointment of Shri Ashwani Garg as 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  
DATED : 1st September, 1999

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

(Govind Garg)  
Whole-Time Director

**DIRECTOR'S REPORT**

Your Directors have great pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1999

**FINANCIAL HIGHLIGHTS :**

(Rs. in Lacs)

	1998-99	1997-98
Sales	31539.94	17196.54
Export sales	2120.08	2113.79
Gross Profit for the year		
before interest and Depreciation	908.01	805.35
Interest	654.13	610.14
Depreciation	86.62	78.45
Provision for tax	35.00	9.00
Profit after Taxation	132.26	107.76
Proposed dividend	25.00	25.00
Tax on proposed dividend	2.75	2.50
Transfer to General Reserve	80.00	70.00
Balance in P & L a/c B/F from Previous year	125.62	115.36
Balance in P & L a/c Carried		
Forward to next year	150.13	125.62

**OPERATIONAL HIGHLIGHTS :**

During the year under review, your Company achieved highest turnover since its inception i.e. Rs. 336 Crores as against last year turnover of Rs. 193 Crores. During this year Profit before tax is Rs. 1.68 Crores against last year Rs. 1.17 Crores. Higher turnover is a result of aggressive marketing good acceptability of company's Brand "Kalash" "KS" & "Double Sher". for last many year your Company has been one of top supplier of edible oils, pulses, foodgrains to defence department, Government of India & Jawans fighting on frontiers for protecting dignity of country have special liking for your company's Brand.

**FUTURE PROSPECTS :**

Encouraged with wide acceptability of your Company's Brands of edible oils your directors have decided to establish Vegetable Oil Mill. For this land adjoining to our existing factory has already been taken on lease.

Your Directors ensure you of better future of your company & good future return on your investment

**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 : 1st September, 1999

(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 electrical equipment.

Total Energy consumption & Energy Consumption per Unit of Production

(A)	Power & Fuel Consumption	Current Year	Previous Year
1.	Electricity		
(a)	Purchased unit	5,426,532	2,817,532
	Total Amount	20,959,486	11,418,585
	Rate Unit	3.86	4.05
(b)	Own generation through Diesel Generator Units	1,889,140	2,029,619
	Unit per litre of Diesel Oil	3.50	3.50
	Cost/Unit	3.42	3.23
	Through Steam turbine/Generator Unit	-	-
	Unit per litre of fuel	-	-
	Oil/Gas	-	-
	Cost/Unit	-	-
2.	Coal		
	Quantity (MT)	11,883	11,097
	Total Cost	21,971,189	19,758,693
	Average Rate	1,848.96	1,780.54
3.	Furnace Oil	Nil	Nil
	Quantity	-	-
	Total Amount	-	-
	Average rate	-	-
4.	Consumption per Unit of production product (Oil, Oil cakes, deoiled cake)	Standard if any (PMT)	Actual Current year (PMT)
	93268 MT includes production of job work		
	Electricity	Nil	78.44
	Furnace Oil	-	-
	Coal	-	0.127

## (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 EARNING AND OUTGO

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

		(Rs. In Lacs)	
(a)	Capital Account	Inflow	Outflow
	Capital Goods	Nil	Nil
(b)	Revenue Account		
	Export Sales	2,120.09	-
	Imports on CIF basis	-	2,292.85
	Travelling	-	0.38

For and on behalf of the Board of Directors

PLACE : MORENA

DATED : 1st September, 1999

(Om Prakash Garg)  
Chairman

**AUDITOR'S 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, 1999 and also the Profit & Loss Account of the Company for the year ended on that date in which the accounts of branches are incorporated 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 our 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 the 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 the said Profit & Loss Account & Balance Sheet comply with the Accounting Standards as referred in subsection (3C) of Section 211 of the Companies Act, 1956 except AS-15 relating to Retirement Benefits to Employees, where the Company is accounting for Leave Encashment to its Employees on cash basis.
- (e) In our opinion and to the best of information and according to the explanations given to us, the said accounts subject to 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 state of Affairs of the company as at 31st March, 1999, 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 basis of information and explanations given to us during the course of our audit, we further state on the matters specified in paragraph 4 and 5 of the said order that :-

1. The Company has maintained records of the various Fixed Assets. As explained to us during the year certain items of Fixed Assets have been physically verified as per programme of verification drawn up by the management. According to the information and explanation given to us no material discrepancies have been noticed in the 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 our opinion and on the basis of our examination, the valuation of stocks is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the preceeding year.
7. The Company has taken unsecured loan 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.