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K. S. OILS LIMITED
15TH ANNUAL REPORT
1999 - 2000

**K. S. OILS LIMITED****FINANCIAL HIGHLIGHTS****OPERATING RESULTS :**

	1999-2000	1998-99	1997-98	1996-97	1995-96
	(Rupees in Lacs)				
INCOME					
Sales	25844	31540	17197	16254	19129
Export Sales	2882	2120	2113	3421	2015
Other Income	6	29	20	56	53
	28732	33689	19330	19731	21197
EXPENDITURE					
Materials and Overheads (+/- Stock Adj.)	27775	32782	18530	19116	20573
Profit Before Interest	956	908	800	615	624
Interest	743	654	610	440	413
Gross Profit	213	254	190	175	211
APPROPRIATIONS					
Opening Balance	-150	-126	-115	-126	-108
Depreciation (Net)	94	87	77	69	61
Provision for Taxation	12	35	4	19	4
Proposed Dividend	0	25	25	25	60
Tax on Dividends	0	3	3	3	0
Transferred to Reserves	70	80	70	70	70
Closing Balance	187	150	126	115	126
	213	254	190	175	211
Earning per Share (Rs.)	2.14	2.65	2.16	1.74	2.95

SOURCE AND APPLICATION OF FUNDS :

	1999-2000	1998-99	1997-98	1996-97	1995-96
	(Rupees in Lacs)				
SOURCE OF FUNDS					
Shareholders' Fund					
Share Capital	494	494	494	494	493
Reserve and Surplus	889	782	678	598	539
	1383	1276	1172	1092	1032
Loan Funds	4766	4106	4030	2835	2180
Funds Employed	6149	5382	5202	3927	3212
APPLICATION OF FUNDS					
Fixed Assets (Gross)	1723	1635	1471	1305	1089
Depreciation	496	409	326	250	188
Fixed Assets (Net)	1227	1226	1145	1055	901
Investments	0	0	0	0	0
Current Assets (Net)	4902	4129	4024	2832	2264
Miscellaneous Expenditure	20	27	33	40	47
Net Assets Employed	6149	5382	5202	3927	3212

**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 AND 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 Fifteenth Annual General Meeting of Members of **K. S. Oils Limited** will be held at Hotel Radhika Place, Near Bus Stand, Morena on Saturday the 30th day of September, 2000 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, 2000 and Profit and Loss Account for the year ended on that date together with Reports to the Auditors and Directors thereon.
2. 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 :

3. To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution.
 - I. "RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered to the extent and in the manner set out hereunder.
 - (a) After Article 34 following new Articles numbered as Article 34A and 34B with the marginal headings thereof be inscribed under the headings "dematerialisation of securities" and "nomination of shares".

DEMATERIALISATION OF SECURITIES**34A Definition**

- (i) For the purposes of this Article unless the context otherwise requires.

"Beneficial Owner" means a person whose name is recorded as such with a Depository and shall have the same meaning assigned thereto in Section 2 of the Depositories Act, 1996.

"Depositories Act" means the Depositories Act, 1996 and any statutory modification or re-enactment thereof for the time being in force.

"Depository" means a Depository as defined in the Depositories Act.

"Member" means a duly registered holder from time to time of the shares of the Company and also one whose name is entered as beneficial owner in the records of a Depository in the case of shares held in a Depository.

"Register" shall mean Register of Members to be kept as pursuant to Section 150 of the Act and unless it be repugnant to the context or otherwise, the Register of Beneficial Owners in case of shares are held in a Depository.

"SEBI" means the Securities and Exchange Board of India.

- (ii) *Rights of depositories and beneficial owners*

(a) Notwithstanding anything to the contrary Depositories and contained in the Act or these Articles, a Beneficial Owners Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

(b) Save as otherwise provided in (a) above, the Depository as a registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding shares of any class in the capital of the Company and whose name is entered as Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

- (iii) *Transfer of securities*

Nothing contained in Section 108 of the Act or securities these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository

- (iv) *Distinctive number of securities held in depository*

Nothing contained in the Act or these Articles numbers of regarding the necessity of having distinctive securities held numbers for securities issued by the Company shall in a Depository apply to securities held with a Depository.

- (v) *Register and index of beneficial owners*

The Register and Index of Beneficial Owners Index of maintained by a Depository under the Depositories Beneficial Act, shall be deemed to be Register and Index of Owners Members and Security holders for the purposes of these Articles.

(vi) *Service of documents*

Notwithstanding anything in the Act or these documents Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(vii) *"Other matters"*

Notwithstanding anything contained in these Articles or the Act, the provisions of Depositories Act, 1996 relating to dematerialisation of securities (including any modification or re-enactment thereof and Rules/Regulations made thereunder) shall prevail and apply accordingly.

NOMINATION OF SHARES**34B**

- (i) Notwithstanding anything contained in these Articles, every holder of shares in, or holder of debentures of the Company may either singly or jointly upto two persons of any time nominate a person in the prescribed manner to whom the shares and/or interest of the Member in the capital of the Company or debentures shall be transferred in the event of his or her death. A member may revoke or vary his or her nomination or any time by notifying the Company to that effect.
- (ii) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders upto two persons may together nominate, in the prescribed manner, a person in whom all the rights in the shares in or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or holder of debentures of the Company or as the case may be, on the death of the last of the joint holders, become entitled to all the rights in the shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled.

Transmission

- (iv) Any person who becomes a nominee by virtue of the in the name aforesaid provisions upon the production of such of nominee evidence as may be required by the Board of Committee thereof and subject as hereinafter provided, elect, either :
 - (a) to be registered himself as holder of shares or debentures, as the case may be; or
 - (b) to make such transfer of shares or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (v) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased shareholder or debenture holder, as the case may be had transferred the shares or debentures, as the case may be, before his death.
- (vi) No person shall be recognized by the Company as a nominee unless the shareholder has during his life time, given an intimation to the Company of his having appointed a nominee in the manner specified under Section 109A of the Companies Act, 1956.
- (vii) The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such information.
- (viii) If the holder of the shares or debentures survives the nominee, then and in such case the nomination made by the registered holder shall be of no effect and shall automatically stand revoked.

II. "RESOLVED that existing Article No. 125(A) be substituted by the following :

Unpaid or unclaimed dividend etc.

- (a) The Company shall comply with the provisions of Unclaimed Section 205A and 205B read with Section 205C of Dividend etc. the Act in respect of any dividend remaining unpaid or unclaimed with the Company.
- (b) The Company shall comply with the provisions of Section 205C of the Act in respect of any money remaining unpaid with the Company in the nature of (i) application moneys received by the Company for allotment of any securities and due refund, (ii) deposits received by the Company and due for repayment, (iii) debentures issued by the Company and matured for redemption and (iv) the interest if any, secured on the amounts referred at items (i), (ii) and (iii) respectively".

**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 of the Company will remain closed from 7th September, 2000 to 18th September, 2000 (both days inclusive).
3. Members 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 notify immediately change in address, if any, to the Company.
6. The explanatory statement setting out material facts in respect of the business under Item Nos. 3. Annexed hereto.

Regd. Office

Tilak Road, Duttapura,

MORENA-476 001

DATED : 1st September, 2000

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 of the Companies Act, 1956.

Item No. 3

- A. In view of the introduction of Depositors Act, 1996, the investors can now hold and trade in their securities in Electronic Form. Depository system has several advantage over the traditional system such as shares cannot be lost or mutilated or stolen, transfer/transmission can be effected immediately, no risk of bad delivery etc. Besides it, the transaction costs are usually lower.

The new automated system of holding and trading of securities of the Company along with traditional system has necessitated certain alterations in the Articles of Association of the Company particularly matters pertaining to issue, holding, transfer certificates dealing in shares and other securities.

Consequent to requirement of Depository system the Article No. 34A has been inserted so as the Company may introduce the Depository system in future.

- B. The Companies (Amendment) Act, 1999 has provided for nomination facility for shareholders. The introduction of the nomination facility will enable the shareholders to nominate in any person to whom the shares and/or interest of the Member in the shares shall be transferred in the event of the death of the shareholder(s).

Consequent upon the introduction of nomination facility it is proposed to insert 34B in the Articles of Association of the Company to meet the requirement of Companies Act, 1956.

To facilitate the implementation of the system of Depository and nomination facility the Director recommend the resolution for acceptance of the members. None of the Directors of the Company is in any way concerned with or interested in the said special resolution.

Regd. Office

Tilak Road, Duttapura,

MORENA-476 001

DATED : 1st September, 2000

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 Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL HIGHLIGHTS :

(Rs. in Lacs)

	1999-2000	1998-99
Sales	25844.24	31539.94
Export sales	2881.76	2120.08
Gross Profit for the year before interest and depreciation	960.26	908.01
Interest	742.96	654.13
Depreciation	93.51	86.62
Provision for tax	17.00	35.00
Profit after Taxation	106.79	132.26
Proposed Dividend	--	25.00
Tax on proposed dividend	--	2.75
Transfer to General Reserve	70.00	80.00
Balance in Profit and Loss Account B/F from Previous year	150.13	125.62
Balance in Profit and Loss Account C/F to next year	186.92	150.13

OPERATIONAL HIGHLIGHTS :

During the year under review, your Company in spite of depressed Market conditions of oil industry has achieved turnover of Rs. 287 crores. However in previous year it was Rs. 336 crores. This year the capacity utilisation has been increased by 20% but on account of reduction in sale price the same could not be reflected in term of increase in turnover, this year Company has successfully executed all the defence tenders, due to decrease in turnover Net Profit after Tax was Rs. 1.07 crores against last year Rs. 1.32 crores. As a matter of long term planning and keeping in view of cost involved in payment of dividend it was decided not to declare dividend this year.

FUTURE PROSPECTS :

The product of the Company has wide acceptability in the country and your company has been one of the top supplier of edible oils, pulses, foodgrain to Defence Department, Government of India. To encouraged with this the Company is thinking to diversify its activity to establish flour mill and vegetable unit.

Your Directors ensure you of better future of your Company and good future return of your investment.

PUBLIC DEPOSIT :

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

AUDITORS :

M/s Latha Rafli & Co., Chartered Accountants, the Auditors of your Company shall be retiring at the conclusion of the forthcoming 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 EARNING/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.

ACKNOWLEDGMENTS :

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

For and on behalf of the Board of Directors

PLACE : MORENA

DATED : 1st September, 2000

(Om Prakash Garg)
Chairman