

15TH ANNUAL REPORT 1996-97

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DARSHAN OILS LIMITED

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DARSHAN OILS LIMITED

BOARD OF DIRECTORS	: S. GURBACHAN SINGH <i>Chairman & Managing Director</i>
	S. BALWANT SINGH
	S. DAJLEET SINGH
	S. SATINDER SINGH
	SHRI S. K. GUPTA
	SHRI S.C. SINGHAL
BANKERS	: CANARA BANK Main Branch Aligarh - 202 001 (U.P.)
AUDITORS	: M/s. RASOOL SINGHAL & CO. Chartered Accountants Railway Road, Aligarh-202 001 (U.P.)
REGISTERED OFFICE	: Udai Singh Jain Road Aligarh - 202 001 (U.P.)
FACTORY	: 6 km from Aligarh towards Delhi on main G.T. Road Village Bhikampur P.O. Jirolidor Distt. Aligarh - 202 001 (U.P.)

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NOTICE



NOTICE is hereby given that the 15th Annual General Meeting of the Members of the Company will be held on Saturday the 27th of September, 1997 at 11.30 a.m. at Surjit Talkies at Udai Singh Jain Road, Aligarh - 202 001 (U.P.) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and the reports of Auditors and Directors thereon.
2. To appoint a Director in place of S. Gurbachan Singh who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of S. Satinder Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution.
RESOLVED that pursuant to the provisions of Section 269, 309, 198, and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 S. Gurbachan Singh be and is hereby re-appointed as the Managing Director of the company for a period of 5 years w.e.f. 1st April, 1997 upon the terms and conditions as set out herein below :

1. REMUNERATION

- a) Salary of Rs. 15,000/- per month with annual increment of Rs. 1,500/-
- b) Commission @ 1% p.a. of the net profits subject to the ceiling laid down in Section 198 and 309.
- c) Perquisites shall be restricted to an amount equal to the annual salary.

PERQUISITES :

Perquisites are classified into three categories :

CATEGORY A :

- i) **MEDICAL REIMBURSEMENT** : Expenses incurred by the appointee and his family members subject to a ceiling of one month's salary in a year or three months' salary over a period of 3 years.
- ii) **LEAVE TRAVEL CONCESSION** : For the appointee and his family once in a year incurred in accordance with any rules specified by the company.
- iii) **CLUB FEE** : Fee of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- iv) **PERSONAL ACCIDENT INSURANCE** : Premium not to exceed to Rs. 4,000/- per annum.

CATEGORY B :

- i) Contribution to Provident Fund, Superannuation Fund, and Annuity Fund shall be as per the rules of the company and will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- ii) Gratuity not exceeding half a month's salary for each completed year of service.

CATEGORY C :

Provision of car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the company to the Managing Director.

The terms and conditions and the said re-appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing Director in accordance with the applicable limits, if any, from time to time, or any amendments made hereafter in this regard.

6. To consider and, if thought fit, to pass with or without modification the following resolution as Special Resolution.
RESOLVED that pursuant to Section 17 and other applicable provisions of the Companies Act, 1956 the Memorandum of Association of the company be and is hereby altered so as to insert a new sub-clause no. 8 after the sub-clause 7 of clause no. III (A) of the same as follows :

**Sub-clause-8**

To establish and carry on all or any of the manufacturing, business, consultancy, marketing, and services of vanaspati Ghee and activities relating to vanaspati ghee specifically Hydrogen Gas, Steric Acid, Soap, Empty steel tins/plastic containers, other packing materials and any other activities relating to Vanaspati Ghee.

By Order of the Board

Registered Office :
Udai Singh Jain Road
Aligarh - 202 001 (U.P.)

GURUBACHAN SINGH
Chairman & Managing Director

Dated : 19th August, 1997

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote at the meeting instead of himself and a proxy need not be a member of the company.
2. The instrument appointing a proxy has to be deposited at the Company's Registered Office at Udai Singh Jain Road, Aligarh 202 001 (U.P.) at least 48 hours before the time for holding the aforesaid meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 25th September, 1997 to Saturday the 27th September, 1997 (both days inclusive).
4. Members attending the meeting are requested to complete the enclosed Attendance Card and deliver the same at the entrance of the Meeting Hall.
5. Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports as the practice of distribution of copies of the Annual Report at the Meeting has been discontinued.
6. For any further information regarding said Accounts, advance intimation should be given and the Members should ensure that it reaches the Company's Registered Office atleast 10 days before the date of the ensuing meeting.
7. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 5 & 6 of the Notice is given below and form part thereof.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5**

Tenure of appointment of S. Gurbachan Singh as Managing Director was expired on 31st March, 1997. The Board of Directors has re-appointed S. Gurbachan Singh, as Managing Director in their meeting held on 28th March, 1997 for a period of 5 years w.e.f. 1st April 1997 subject to approval of shareholders.

An abstract and memorandum of interest under Section 302 of the Companies Act has already been sent to the shareholders. The resolution is recommended for approval of the shareholders.

All the Directors except Shri S. K. Gupta and Shri S.C. Singhal are interested in this resolution.

ITEM NO. 6

Your company is going for expansion and diversification of its activities. In the course of expansion and diversification, the company wants to go for certain new businesses which are not mentioned in the Object Clause of the company. As per recent amendment to Section 17 of the Companies Act, Company can alter the Object Clause by passing a Special Resolution. The alteration in the object clause by inserting a new clause is recommended by your Directors for your approval. The insertion of new clause will enable to the Company to carry on its business more economically or efficiently and shall become convenient or advantageous to combined with the present activities of the company.

None of the Directors are interested in this resolution.

By Order of the Board

Registered Office :
Udai Singh Jain Road
Aligarh - 202 001 (U.P.)

GURUBACHAN SINGH
Chairman & Managing Director

Dated : 19th August, 1997

DIRECTORS' REPORT



TO THE MEMBERS

Your Directors are pleased to present the 15th Annual Report on the Business and Operations of the company and the Audited Statement of Accounts for the year ended 31st March, 1997.

1. FINANCIAL RESULTS

DESCRIPTION	1996-97	1995-96
Sales & Other Income	7465.09	4708.26
Profit before Interest and Depreciation	212.91	208.51
Less : Interest and Bank Charges	117.14	108.29
Depreciation	62.89	51.82
Profit before Tax	32.88	48.40
Less : Provision for Tax	4.24	—
Profit after Tax	28.64	48.40
Add : Balance as per last Balance Sheet	91.88	43.48
Profit available for appropriation	120.52	91.88
Less : Transfer to General Reserves	50.00	—
Income Tax 90-91	3.25	—
Income Tax 93-94	0.02	—
Balance Carried Forward	67.25	91.88

2. OPERATIONS

Sales including other income during the year 1996-97 were Rs. 7465.09 lacs as compared to Rs. 4708.26 lacs in the previous year. Profit after tax during the year 1996-97 is Rs. 28.64 as compared to Rs. 48.40 lacs in the previous year.

3. DIVIDEND

The profits of the company has gone down due to sluggish and competitive conditions of the industry. Therefore, your Directors have not recommended any dividend for the year 1996-97.

4. PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure to this report.

5. PARTICULARS OF EMPLOYEES

There was no employee during the year under review who was getting remuneration as prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

6. FIXED DEPOSITS

In terms of Companies (Acceptance of Deposits) Rules, 1975, we report that the deposit of Rs. 4.80,000/- from Forty two depositors became due for repayment and remain unclaimed as at 31st March, 1997.



7. DIRECTORS

In accordance with the requirement of the Companies Act, 1956, S. Gurbachan Singh and S. Satinder Singh retire by rotation and being eligible, offer themselves for re-appointment.

8. AUDITORS

In the Annual General Meeting, the members are requested to appoint Auditors for the current Financial Year and to fix their remuneration.

9. ACKNOWLEDGEMENTS

The Directors wish to thank the Government Authorities, Banks, Other Business Associates and shareholders for the cooperation and encouragement extended to the company. The Directors wish to place on record their deep appreciation for the contribution made by the employees at all levels.

Registered Office :
Udai Singh Jain Road
Aligarh - 202 001 (U.P.)

For and on behalf of the Board

GURUBACHAN SINGH
Chairman & Managing Director

Dated : 19th August, 1997

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES ACT (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A) CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken :

The vacuum systems installed in the Plant have been modified and replaced to produce better vacuum conditions at overall lower energy costs. Besides, resulting in better efficiency it has resulted in better and perfect deodorisation of the product.

b) Proposal for reduction of consumption of energy :

The outside expert consultants are constantly being involved and engaged for suggesting various measures to improve the process and systems and to monitor and reduce heat and electrical energies in the different applications in the processes.

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The above mentioned energy conservation measures which have already been taken alongwith the measures under implementation will yield substantial saving in energy consumption compared to the past years. These measures are also expected to result in reduction in other costs of production.



FORM - 1

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION	1996-97	1995-96
1. Electricity		
(a) Purchased (Unit)	1807036	876685
Total Amount (Rs.)	6013740	2581318
Rate/Unit (Rs.)	3.33	2.94
(b) Own Generation		
Through diesel Generator Unit	1243480	1063440
Unit/ltr. of diesel	4	3.90
Cost/unit (Rs.)	2.05	1.90
2. Coal		
Quantity (M.T.)	2401.380	2011.285
Total Cost (Rs.)	3904665	3249340
Rate/Unit	1626.09	1615.55
3. Furnace oil/L.D.O.		
Quantity (Ltr.)	140765	293305
Total Cost (Rs.)	1107340	2093644
Rate/Ltr.	7.87	7.14
4. Other internal Generation		
Paddy Husk/Dhan ki bhushi		
Qty. (M.T.)	6144.400	3695.17
Total cost (Rs.)	6687114	3322427
Rate per unit (Rs.)	1088.33	899.13
(B) Consumption per unit of production		
Production (M.T.)	23677.429	16523.525
Electricity	128.840	117.42
Coal	0.101	0.120
Furnace oil/L.D.O.	5.950	17.75
Husk/Dhan ki bhushi	0.260	0.22

B. TECHNOLOGICAL ABSORPTION :

The company has established especially the physical deacidification cum deodorisation route process and is able to manufacture the product at lower cost comparatively with the industry.

C. FOREIGN EXCHANGE EARNINGS & OUTGO :

(i) There are no export made by the company.

(ii) TOTAL FOREIGN EXCHANGE USED AND EARNED

	Amount in lacs	
	1996-97	1995-96
Total Foreign Exchange used	89.59	102.94
Total Foreign Exchange earned	—	—



AUDITOR'S REPORT

To,
The Members,
Darshan Oils Ltd.
 U.S. Jain Road, Aligarh

We have audited the attached Balance Sheet of DARSHAN OILS LTD., U.S JAIN ROAD, ALIGARH (U.P.) as at 31st March, 1997 and also the Profit & Loss Account of the company for the year ended on that date annexed thereto.

We report as follows :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in Annexure referred to in paragraph (1) above :
 - 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 our examination of the books;
 - c) the Balance Sheet and Profit & Loss Account are in agreement with the books of accounts.
 - d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts subject to our comments in Notes given in Schedule S thereon, Point No. B.I(1) regarding petition, Point No.B.I(2) regarding sales tax liability (Now Trade Tax), Point No.B.I.(3), regarding Sales Tax appeals (Now Trade Tax) before higher authorities, Point No.B.I.(4), regarding Excise demands, Point No.B.IV(9), regarding Balance shown under advances, sundry debtors and creditors are subject to confirmation, Point No.B.IV.(11) regarding encashment of leave of employees as retirement benefit, in preference to AS-15 of the Institute of Chartered Accountants of India, 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, 1997, and
 - ii) in the case of Profit & Loss Account, of the Profit of the company for the year ended on that date.

For RASOOL SINGHAL & CO.,
 Chartered Accountants.,

(ASHOK KUMAR GUPTA)
 Partner

Place : Aligarh
 Date : 19th August, 1997

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE)

- I. The company has maintained full particulars including quantitative details and situation of Fixed Assets. The Management has physically verified these Assets during the year and no discrepancies were noticed on such verification.
- II. None of the Fixed Assets have been revalued during the year.
- III. The stock of raw material, oil in process and finished goods, stores and spare parts etc. have physically been verified during the year by the management. In our opinion the frequency of verification of stock of raw material etc. is reasonable.
- IV. The Procedure of physical verification of stock of raw material, oil in process, finished goods, stores, and spare parts etc. followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.