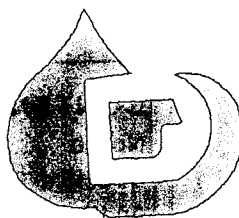


16TH

MD	✓			BKC	✓
CS	NA			DPY	NA
RO	✓			DIV	NA
TRA	NA			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		✓

ANNUAL REPORT

1997-98



DARSHAN OILS LIMITED



DARSHAN OILS LIMITED

BOARD OF DIRECTORS

: S. GURBACHAN SINGH
Chairman & Managing Director

S. BALWANT SINGH

S. DALJEET SINGH

S. SATINDER SINGH

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. Jirolidar
Distt. Aligarh-202 001 (U.P.)

LISTING OF SHARES AT

- UP Stock Exchange
Association Limited, Kanpur
- The Stock Exchange, Mumbai
- The Stock Exchange, Ahmedabad
- The Jaipur Stock Exchange
Association Limited, Jaipur
- The Delhi Stock Exchange
Association Limited, New Delhi

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DARSHAN OILS LIMITED

NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Members of **DARSHAN OILS LIMITED** will be held on Friday, the 25th September 1998 at 11.00 a.m. at Surjit Talkies, Udai Singh Jain Road, Aligarh-202 001 (U.P.) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date together with the reports of the Directors and the Auditors.
2. To appoint a Director in place of S. Balwant Singh who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S. C. Singhal 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 until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution, with or without modifications, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of S. Satinder Singh as the Whole Time Director of the Company for a period of five years with effect from 15th June, 1998 on the following terms :-

- (a) Salary : Rs. 14,000/- (Rupees Forteen Thousand) per month with annual increment of Rs. 1,000/-
- (b) Perquisites shall be restricted to an amount equal to the annual salary.

PERQUISITES:

Perquisites are classified into three categories :

CATEGORY A :

- (i) Medical Reimbursement : For self and family subject to condition that the cost to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years. The expression family means the spouse, the dependent children and dependent parents.
- (ii) Leave Travel Allowance : For self and family, once in a year incurred in accordance with the rules of the Company.
- (iii) Club Fee : Fee of clubs subject to a maximum of two clubs. This will not include admission and membership fee.
- (iv) Personal Accident Insurance : Premium not be 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 facility at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company to the Whole Time Director.



JARSHAN OILS LIMITED

The Whole time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof from the date of his re-appointment.

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

To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to Section 370 and other applicable provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to give any guarantee, or provide any security, in connection with loans made by any other person(s) and/or corporate bodies to, or any other person by any body corporate upto total sum of Rs. 10.00 Crores (Whether or not under the same management as the Company) on such terms and conditions as the Board may think fit."

To consider and, if thought fit, to pass the following resolution, with or without modifications, as a **Special Resolution**:-

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, and which may be agreed to or accepted by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to acquire/purchase any of its own shares on such terms and conditions and upto such limits as may be prescribed by law from time to time provided that such purchase of shares be not construed as reduction in capital under sections 100 to 104 and 402 of the Companies Act, 1956 and that the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or proper to implement the resolution."

NOTES :

1. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item nos. 5 to 7 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Shares Transfer Books and Register of Members of the Company will remain closed from Tuesday, 1st September 1998 to Friday, 25th September, 1998 (Both days inclusive).
4. Members/Proxies should bring the Attendance Slip duly filed up for attending the Meeting.

Registered Office :
Udai Singh Jain Road
Aligarh - 202 001 (U.P.)
Date : 18th August, 1998

By Order of the Board

GURUBACHAN SINGH
Chairman & Managing Director

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

Tenure of appointment of S. Satinder Singh as Whole Time Director was expired on 15th June, 1998. The Board of Directors has re-appointed S. Satinder Singh, as Whole Time Director in its meeting held on 30th May, 1998 for a period of 5 years w.e.f. 15th June 1998 subject to approval of shareholders of the Company. It may be mentioned that the proposed remuneration payable to S. Satinder Singh is in conformity with the provisions of Schedule XIII of the Companies Act, 1956.

An abstract and memorandum of interest under Section 302 of the Companies Act has already been sent to the shareholders.

The Directors recommend the adoption of resolution No. 5 of the Notice. All the Directors except Shri S.C. Singhal are interested in this resolution.

ITEM NO. 6

In the ordinary course of business, some time for taking loans/corporate guarantees/securities are required to be given to the lenders of the loan.

According to Section 370 of the Companies Act, 1956 Company can not give any guarantee, or provide any security unless the giving of such guarantee or the provision of such security has been previously authorised by a special resolution in the General Meeting of the Company.

The Directors recommend the adoption of resolution No. 6 of the Notice. No Director is in any way concerned or interested in this resolution.

ITEM NO. 7:

Section 77 of the Companies Act, 1956 restricts the Company to purchase its own shares unless the same is done with a view to reduce its capital in pursuance of Sections 100 to 104 and 402 of the Companies Act, 1956. However, it is anticipated that the Companies Act, 1956 may be amended to provide for buy back of its own shares subject to certain conditions. Such buy back of shares, if permitted, is expected to enhance the shareholders' value. Hence the Directors feel that it would be desirable to have an enabling power from the shareholders for this purpose, as set out in item No. 7 of the notice.

The Directors recommend the adoption of resolution No. 7 of the Notice. No director is in any way concerned or interested in this resolution.

By Order of the Board

Registered Office :
Udai Singh Jain Road
Aligarh - 202 001 (U.P.)
Date : 18th August, 1998

GURUBACHAN SINGH
Chairman & Managing Director



DARSHAN OILS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the 16th Annual Report on the Business and Operations of the company and the Audited Statement of Accounts for the year ended 31st March, 1998.

WORKING RESULTS

DESCRIPTION	(Rs. in lacs)	
	1997-98	1996-97
Sales & Other Income	7243.50	7473.43
Profit before Interest and Depreciation & Tax	236.93	212.91
Less : Interest and Bank Charges	126.21	117.14
Depreciation	62.56	62.89
Profit before Tax	48.16	32.88
Less : Provision for Tax	5.06	4.24
Profit after Tax	43.10	28.64
Add : Balance as per last Balance Sheet	67.25	91.88
Profit available for appropriation	110.35	120.52
Less : Transfer to General Reserves	25.00	50.00
Income Tax adjustments	7.34	3.27
Balance Carried to Balance Sheet	78.01	67.25

OPERATIONS

The Company's operations during the year 1997-98 show better results after 1996-97 when the year ended with a Net profit after tax Rs. 43.10 lacs. Although the turnover of the Company has marginally reduced from Rs. 7473.43 lacs in the year 1996-97 to Rs. 7243.50 lacs in the year 1997-98. Profit before tax has increased from Rs. 32.88 lacs in the year 1996-97 to Rs. 48.16 lacs in the year 1997-98.

To strengthen the financial position of the Company and reduce the burden of loan funds, your Directors have not recommended dividend for the year 1997-98.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in annexure.

PUBLIC DEPOSITS

During the year 1997-98 your Company has accepted deposits from the public and in terms of Companies (Acceptance of Deposits) Rules, 1975, we report that the deposits of Rs. 5,68,000/- from 65 depositors become due for repayment and remain unclaimed as at 31st March, 1998.

DIRECTORS

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

Shri S.K. Gupta resigned from the Board with effect from 30th July, 1998, the Board places on record appreciation for the invaluable contributions made by Shri S.K. Gupta during his tenure.



DARSHAN OILS LIMITED

PARTICULARS OF EMPLOYEES

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

LISTING OF THE SHARES OF THE COMPANY

Equity shares of the Company are listed in the U P Stock Exchange Association Limited, Kanpur, the Stock Exchange, Mumbai, the Delhi Stock Exchange Association Limited, New Delhi, the Stock Exchange, Ahmedabad and the Jaipur Stock Exchange, Jaipur. The Company has paid listing fee to these Stock Exchange.

INDUSTRIAL RELATION

The Industrial Relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent team work with which the workers and officers of the Company at all level contributed for satisfactory performance of the Company.

AUDITORS

The Auditors, M/s Rasool Singhal & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office in terms of section 224 (1B) of the Companies Act, 1956, if re-appointed. The Board recommends their re-appointment.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to Company's valued Customers, Suppliers, Dealers, Central and State Governments, Bankers and Members of the Company for their continued support and confidence in the Company.

Registered Office :
Udai Singh Jain Road
Aligarh - 202 001 (U.P.)
Date : 18th August, 1998

On behalf of the Board

GURUBACHAN SINGH
Chairman & Managing Director

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 :

In the deacidifier cum deodorisation section, oil to oil heat exchangers have been modified and improved to recover the heat.

Also, the transfer of water from the hot-well of the barometric vacuum system to the cooling tower for recirculation instead by pump is done by gravity flow. It has resulted in saving of around 40 KWH of electricity by elimination of the water pump for the said duty.

b) Proposal for reduction of consumption of energy :

The experts are constantly being consulted and involved for suggesting various measures to improve the process and systems 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.

**DARSHAN OILS LIMITED****FORM - 1****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY**

A. POWER & FUEL CONSUMPTION	1997-98	1996-97
1. ELECTRICITY		
(a) Purchased (Unit)	1984197	1807036
Total Amount (Rs.)	8357377	6013740
Rate/Unit (Rs.)	4.21	3.33
(b) Own Generation		
Through diesel Generator Unit	1099280	1243480
Unit/ltr. of diesel	4	4
Cost/unit (Rs.)	2.36	2.05
2. Coal		
Quantity (M.T.)	1680.645	2401.380
Total Cost (Rs.)	2937754	3904665
Rate/Unit	1747.99	1626.09
3. Furnace oil/L.D.O.		
Quantity (Ltr.)	76765	140765
Total Cost (Rs.)	745897	1107340
Rate/Ltr.	9.72	7.87
4. Other internal Generation		
Paddy Husk/Dhan ki bhusi		
Qty. (M.T.)	7729.705	6144.400
Total cost (Rs.)	6971072	6687114
Rate per unit (Rs.)	901.85	1088.33
Consumption per unit of production		
Production (M.T.)	22663.151	23677.429
Electricity	136.056	128.840
Coal	0.074	0.101
Furnace oil/L.D.O.	3.387	5.950
Husk/Dhan ki bhusi	0.341	0.260

B. TECHNOLOGICAL ABSORPTION :

The company has installed four stage Votator System - a state-of-the-art product line to manufacture - perfect grainless butter like vanaspati especially suitable for Bakery applications.

The product has been accepted at par with the reputed brands for its consistent desired quality.

C. FOREIGN EXCHANGE EARNING & OUTGO :

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

(ii) TOTAL FOREIGN EXCHANGE USED AND EARNED

	1997-98	1996-97
	<i>Amount in lacs</i>	
Total Foreign Exchange used	37.74	89.59
Total Foreign Exchange earned		



DARSHAN OILS LIMITED

AUDITORS' REPORT

To,
The Members
Darshan Oils Limited
Udai Singh 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, 1998 and annexed Profit & Loss Account of the Company for the year ended on that date together with the Schedules, and report that :-

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 of matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in Annexure referred in paragraph (1) above :
 - (a) we have obtained all the informations and explanations which to 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 dealt with by this report are in agreement with the books of accounts;
 - (d) The company has earned Rs. 2,89,631/- (Net) from hydrogen gases usable in Vanaspati for which the approval of the change in the main objects of the memorandum of association of the company by way of alteration/ addition is said to be in process and the approval is awaited from the appropriate authorities. [Refer to Schedule - S, Note No. B (IV) (5)]
 - (e) Schedule - S : Notes On Accounts :
 - i) Note No. B (1) (1), regarding Sales Tax Liability (now Trade Tax);
 - ii) Note No. B (1) (2), regarding Sales Tax Appeals (now Trade Tax) pending before higher authorities;
 - iii) Note No. B (1) (3), regarding Excise demands;
 - iv) Note No. B (IV) (1), regarding Rebate Of Trade Tax On Vanaspati;
 - v) Note No. B (IV) (6), regarding Provision of Service Tax on freight paid on transport;
 - vi) Note No. B (IV) (12), regarding Balance shown under Advances, Sundry Debtors and Creditors are subject to confirmation;
 - vii) Note No. B (IV) (13) , regarding Encashment Of leaves of Employees of retirement benefits in preference to AS-15 of the Institute Of Chartered Accountants Of India;

Subject to our comments, referred to in para 2 (d) & (e) above, and their consequential effect on Balance Sheet and Profit & Loss Account, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes On Accounts, Accounting Policies given in Shcedule - S, 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 the Balance Sheet of the state of affairs of the company as at 31st March, 1998; 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

Place : **Aligarh**
Date : 18th August, 1998

(**ASHOK KUMAR GUPTA**)
Partner