

17th

ANNUAL REPORT
1998-99



DARSHAN OILS LIMITED

**DARSHAN OILS LIMITED**

BOARD OF DIRECTORS	: S. GURBACHAN SINGH Chairman & Managing Director S. BALWANT SINGH S. DALJIT 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
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

- U.P. 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 17th Annual General Meeting of the members of **DARSHAN OILS LIMITED** will be held on Thursday, the 30th September, 1999 at 10.30 a.m. at Surjit Talkies, Udai Singh Jain Road, Aligarh - 202 001 (UP) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 1999 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. Satinder Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of S. Daljit 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 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, Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of S. Balwant Singh as the Whole Time Director of the Company for a period of five years with effect from 1st March, 1999 on the following terms:-

- (a) Salary : Rs. 14,000/- (Rupees Fourteen Thousand) per month with annual increment of Rs. 1000/-
- (b) Medical Reimbursement : For Self and

family, subject to the condition that the cost to the company shall not exceed one month's salary in a year or three month's salary in a block of three years, the expression family means the spouse, the dependent children and dependent parents.

- (c) Leave Travel Allowance : For self and family, every year incurred in accordance with the rules of the Company.
- (d) Club Fee : Fees of clubs, subject to a maximum of two clubs barring life membership.
- (e) Provident Fund : Benefits under the *Provident Fund Scheme of the Company* in accordance with the rules of the Company in force from time to time.
- (f) Pension : Benefits under the Company's *Pension/Superannuation Fund Scheme* in accordance with the rules and regulations of the Company in force from time to time.
- (g) Gratuity : Gratuity payable in accordance with the approved fund, which does not exceed half a month's salary for each completed year of service subject to the applicable ceiling.
- (h) Telephone : Telephone facility at residence, personal long distance calls on telephone shall be recovered by the Company.
- (i) Car : Car with driver for the business of the Company.
- (j) Leave with full pay as per the rules of the Company subject to a maximum of one month's leave for every eleven month's service. However, leave accumulated but not availed of, will be allowed to be encashed upto a maximum of 90 days.



DARSHAN OILS LIMITED

S. Balwant Singh shall also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company to the Whole Time Director.

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 Director as it may, in its discretion, deem fit, within the maximum amount payable to Whole Time Director in accordance with 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 the following resolution, with or without modifications, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 198, 269, 309, Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of S. Daljit Singh as the Whole Time Director of the Company for a period of five years with effect from 1st March, 1999 on the following terms:-

- (a) Salary : Rs. 14,000/- (Rupees Fourteen Thousand) per month with annual increment of Rs. 1000/-
- (b) Medical Reimbursement : For Self and family, subject to the condition that the cost to the company shall not exceed one month's salary in a year or three month's salary in a block of three years, the expression family means the spouse, the dependent children and dependent parents.
- (c) Leave Travel Allowance : For self and family, every year incurred in accordance with the rules of the Company.

- (d) Club Fee : Fees of clubs, subject to a maximum of two clubs barring life membership.
- (e) Provident Fund : Benefits under the Provident Fund Scheme of the Company in accordance with the rules of the Company in force from time to time.
- (f) Pension : Benefits under the Company's Pension/Superannuation Fund Scheme in accordance with the rules and regulations of the Company in force from time to time.
- (g) Gratuity : Gratuity payable in accordance with the approved fund, which does not exceed half a month's salary for each completed year of service subject to the applicable ceiling.
- (h) Telephone : Telephone facility at residence, personal long distance calls on telephone shall be recovered by the Company.
- (i) Car : Car with driver for the business of the Company.
- (j) Leave with full pay as per the rules of the Company subject to a maximum of one month's leave for every eleven month's service. However, leave accumulated, but not availed of, will be allowed to be encashed upto a maximum of 90 days.

S. Daljit Singh shall also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company to the Whole Time Director.

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

**DARSHAN OILS LIMITED**

Board of Director as it may, in its discretion, deem fit, within the maximum amount payable to Whole Time Director in accordance with applicable limits, if any, from time to time, or any amendments made hereafter in this regard.

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item Nos.5 & 6 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY 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 Share Transfer Books and Register of Members of the Company will remain closed from Thursday, 16th September, 1999 to Thursday, 30th September, 1999 (Both days inclusive).
4. Members/Proxies should bring the Attendance Slip duly filled up for attending the Meeting.

By Order of the Board

Gurubachan Singh
Chairman & Managing Director

24th August, 1999
Registered Office:
Udai Singh Jain Road,
Aligarh - 202 001 (UP)

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

Item. No. 5:

The tenure of appointment of S. Balwant Singh as Whole Time Director expired on 1st March, 1999. The Board of Directors has re-appointed S. Balwant Singh, as the Whole Time Director in its meeting held on 10th August, 1999 for a period of five years w.e.f. 1st March, 1999 subject to approval of shareholders of the Company. It may be mentioned that the proposed remuneration payable to S. Balwant Singh is in conformity with the provisions of Schedule XIII of the Companies Act, 1956.

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:

The tenure of appointment of S. Daljit Singh as Whole Time Director expired on 1st March, 1999. The Board of Directors has re-appointed S. Daljit Singh, as the Whole Time Director in its meeting held on 10th August, 1999 for a period of five years w.e.f. 1st March, 1999 subject to approval of shareholders of the Company. It may be mentioned that the proposed remuneration payable to S. Daljit Singh is in conformity with the provisions of Schedule XIII of the Companies Act, 1956.

The Directors recommend the adoption of resolution No. 6 of the Notice. All the Directors except Shri S. C. Singhal, are interested in this resolution.

By Order of the Board

Gurubachan Singh
Chairman & Managing Director

24th August, 1999
Registered Office:
Udai Singh Jain Road,
Aligarh - 202 001 (UP)

**DARSHAN OILS LIMITED****DIRECTORS' REPORT****To the Members**

Your Directors have pleasure in presenting the 17th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 1999.

WORKING RESULTS

(Rs. in Lacs)

	1998-99	1997-98
Sales and Other Income	8931.89	7243.50
Profit before Interest, Depreciation & Tax	250.31	236.93
Less : Interest	139.42	126.21
Depreciation	63.76	62.56
Profit Before Tax	47.13	48.16
Less : Provision for Tax	4.95	5.06
Net Profit after Tax	42.18	43.10
Add : Balance as per last Balance Sheet	78.01	67.25
Profit available for appropriation	120.19	110.35
Less : Transfer to General Reserves	25.00	25.00
Income Tax adjustments	-	7.34
Balance carried to Balance Sheet	95.19	78.01

OPERATIONS

The turnover of the Company during the year 1998-99 has increased to Rs. 8931.89 Lacs from Rs. 7243.50 Lacs in the last year 1997-98. The Company has earned Net profit after tax of Rs. 42.18 Lacs during the year.

To strengthen the financial position of the Company and reduce the burden of loan funds, your Directors have not recommended dividend for the year 1998-99.

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 hereto.

PUBLIC DEPOSITS

During the year 1998-99 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. 4,56,000/- from 56 depositors become due for repayment and remain unclaimed as at 31st March, 1999.

DIRECTORS

In accordance with the requirement of the Companies Act, 1956, S. Satinder Singh and S. Daljit Singh retire by rotation and being eligible, offer themselves for re-appointment. The tenure of S. Balwant Singh and S. Daljit Singh as Whole Time Directors of the Company expired on 28.02.1999, they have been re-appointed by the Board of Directors subject to approval of the



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members of the Company. The resolutions of their re-appointment for approval of the members are given in the notice of the Annual General Meeting.

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, as amended.

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 Exchanges.

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.

ACKNOWLEDGMENT

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

On behalf of the Board

Gurubachan Singh
Chairman & Managing Director

24th August, 1999
Registered Office:
Udai Singh Jain Road,
Aligarh - 202 001 (UP)

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 heat transfer surface in the process vessels were thoroughly de-scaled and cleaned to result in efficient heat transfer in the process systems. Also, proper insulation and cladding with aluminium sheets was re-done in order to avoid heat losses.

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 application of 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.

B) TECHNOLOGICAL ABSORPTION :

The process of hydrogenation of vegetable oils and the post-treatment of hard oils and final-deodorisation was significantly improved.

It resulted in better, uniform, granular perfect odour-free vanaspati, which is being widely acclaimed in the market at premium.

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

A. POWER & FUEL CONSUMPTION		Current Year 1998-1999	Previous Year 1997-1998
1. Electricity			
(a) Purchased (Unit)		1907759	1984197
Total Amount (Rs.)		8563895	8357377
Rate/Unit (Rs.)		4.49	4.21
(b) Own Generation			
Through Diesel Generator Unit		1513300	1099280
Unit/ Ltr. of Diesel		4	4
Cost/ unit (Rs.)		2.32	2.36
2. Coal			
Quantity (M.T.)		1085.870	1680.645
Total Cost (Rs.)		2268114	2937754
Rate/ unit (Rs.)		2088.75	1747.99
3. Furnace Oil/ L.D.O			
Quantity (Ltr.)		-	76765
Total Cost (Rs.)		-	745897
Rate/ Ltr. (Rs.)		-	9.72
4. Other Internal Generation			
Paddy Husk/ Dhan ki bhusi			
Qty. (M.T.)		9318.590	7729.705
Total Cost (Rs.)		8386731	6971072
Rate per unit (Rs.)		900.00	901.85
(B) Consumption per unit of production			
Production (M.T.)		32674	22663.151
Electricity		104.70	136.056
Coal		0.033	0.074
Furnace oil/ L.D.O.		-	3.387
Husk/ Dhan ki Bhusi		0.285	0.341