

18th

**ANNUAL REPORT
1999-2000**



DARSHAN OILS LIMITED

**DARSHAN OILS LIMITED**

BOARD OF DIRECTORS	: S. GURBACHAN SINGH Chairman & Managing Director S. SATINDER SINGH S. RAVJIT SINGH SHRI S.C. SINGHAL
BANKERS	: PUNJAB NATIONAL BANK Industrial Banking Branch, Barakhambha Road, New Delhi – 110 001
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 18th Annual General Meeting of the members of DARSHAN OILS LIMITED will be held on Saturday, the 30th September, 2000 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, 2000 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 Mr. S. C. Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.

"RESOLVED THAT M/s Mittal & Kumar, Chartered Accountants, be and are hereby appointed as the Auditors of the Company in place of retiring Auditors M/s Rasool Singhal & Co., Chartered Accountants, who have shown their unwillingness to continue as the auditors of the Company, to hold office until the conclusion of next annual general meeting at a remuneration to be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT S. Ravjit Singh, in respect of whom the Company has received Notice in writing along with necessary deposit from a member proposing him as candidate for the office of Director as per the provisions of Section 257 of the Companies Act, 1956, and who being eligible for appointment as Director, be and is hereby appointed Director of the Company."

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 appointment of S. Ravjit Singh as the Whole Time Director of the Company for a period of five years with effect from 1st January, 2000 on the following terms:-

- (a) Salary : Rs. 12,000/- (Rupees Twelve 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.

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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 accordance with the requirement of the Companies Act, 1956, Shri S. C. Singhal retires by rotation and being eligible, offers himself for re-appointment.

S. Ravjit Singh was appointed as additional Director and Whole Time Director by the Board of Directors on 20th December, 1999.

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- (i) Car : Car with driver for the business of the Company.
- (j) Leave with full pay as per the rules of the

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

Item No. 4 :

DARSHAN OILS LIMITED



S. Balwant Singh and S. Daljit Singh have given their resignations from the Directorship of the Company and the same were accepted by the Board of Directors on 20th December, 1999. The Board of Directors of your Company would like to place on record their valuable services given to the Company.

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 for the financial year 2000-01.

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 levels 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 shown their unwillingness to continue as Auditors of the company.

Your Directors propose to appoint M/s Mittal & Kumar, Chartered Accountants, as Auditors of your company from the conclusion of this Annual General Meeting to the Conclusion of next Annual General Meeting. They have confirmed their eligibility and willingness to accept the office in terms of Section 224 (1B) of the Companies Act, 1956, if appointed. The Board recommends their 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

Gurbachan Singh
Chairman & Managing Director

24th August, 2000
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 SHE installed in the deacidification cum deodorisation section was overhauled and re-installed with improvements in the P & I systems. It resulted in achieving the Efficient Industry's Energy Standards.

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 for formulating vanaspati mainly from imported Crude Palm Oil/R.B.D. Palmolein Oil was expertised.

It resulted in producing the desired-granular, odour free, white in appearance hydrogenated vanaspati; by the usage of imported Crude Palm Oil/R.B.D. Palmolein Oil available at lower and competitive price as compared to other indigenous oils.

The resulted final product is being widely acclaimed in the market at premium.

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FORM - 1

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION		Current Year 1999-2000	Previous Year 1998-99
1.	Electricity		
	(a) Purchased (Unit)	1287009	1907759
	Total Amount (Rs.)	6022054	8563895
	Rate/Unit (Rs.)	4.68	4.49
	(b) Own Generation		
	Through Diesel Generator Unit	2120120	1513300
	Unit/ Ltr. of Diesel	4	4
	Cost/ unit (Rs.)	2.93	2.32
2.	Coal		
	Quantity (M.T.)	1206.660	1085.870
	Total Cost (Rs.)	2034237	2268114
	Rate/ unit (Rs.)	1685.84	2088.75
3.	Furnace Oil/ L.D.O		
	Quantity (Ltr.)	121130	-
	Total Cost (Rs.)	1574329	-
	Rate/ Ltr. (Rs.)	13.00	-
4.	Other Internal Generation		
	Paddy Husk/ Dhan ki bhusi		
	Qty. (M.T.)	9806.885	9318.590
	Total Cost (Rs.)	8816884	8386731
	Rate per unit (Rs.)	899.05	900.00
B.	Consumption per unit of production		
	Production (M.T.)	31416.98	32674
	Electricity	108.445	104.70
	Coal	0.040	0.033
	Furnace oil/ L.D.O.	0.004	-
	Husk/ Dhan ki Bhusi	0.312	0.285

On behalf of the Board
Gurbachan Singh

Chairman & Managing Director

24th August, 2000

Registered Office: Udai Singh Jain Road,
Aligarh - 202 001 (UP)



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AUDITOR'S REPORT

TO THE MEMBERS OF DARSHAN OILS LIMITED

We have audited the attached Balance Sheet of DARSHAN OILS LIMITED as at 31st March, 2000 and annexed Profit and 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 (Auditor's 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 to in paragraph (1) above, we state that :
 - (a) we have obtained all the information and explanations which to best of our knowledge and belief were necessary for the purpose of the audit;
 - (b) in our opinion, proper books of accounts 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) in our opinion the Balance Sheet and Profit and Loss Account dealt with by this report is in compliance with the Accounting Standard referred to in section 211 (3C) of the Companies Act, 1956, except otherwise stated;
 - (e) Schedule -S : Notes On Accounts :
 - i) Note No. B (IV) (6), regarding Balance shown under Advances, Sundry Debtors and Creditors are subject to confirmation;
 - ii) Note No. B (IV) (7), regarding Encashment Of Leaves of employees of retirement benefits;
 - iii) Note No. B (IV) (8), regarding over dues to SSI units, if any not ascertainable;

Subject to our comments, referred to in para 2 (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 Schedule-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 31 st March, 2000; and
- ii) in the case of Profit and Loss Account , of the Profit of the company for the year ended on that date.

For RASOOL SINGHAL & CO.,
Chartered Accountants,

Place : Aligarh
Date : 10th July, 2000

M. H. SINGHAL
Partner

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (1) of our Report of even date)

1. The company has generally maintained proper records to show full particulars including quantitative details and situation of Fixed Assets. The management has physically verified these Assets during the year and no discrepancies have been noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The stock of Raw Material, Oil in process, Finished goods, stores, and spare parts etc. have physically been verified during the year by the management. In our opinion the frequencies of verification of stock of raw material etc. is reasonable.
4. In our opinion and according to the information and explanation given to us, the procedure of physical verification of stock of raw material, oil in process, finished goods, stores and spare parts etc. followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
5. We have been informed that no material discrepancies have been noticed on physical verification of stock.
6. On the basis of our examination of stock records, we are of the opinion, that the valuation of stock of raw material, oil in process, finished goods, stores and spares is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in preceding years.
7. The company has taken unsecured loans from the directors and other parties listed in the register maintained under section 301 of the Companies Act, 1956, however no loan has been taken from companies under the same management within the



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meaning of section 370(1-B) of the Companies Act, 1956. In our opinion the rate of interest and other terms and conditions on which loans have been taken are not *prima facie* prejudicial to the interest of the company.

8. In our opinion and according to information and explanations given to us, the company has not given any loans secured and unsecured to companies, firms, or other parties listed in the register maintained under section 301 and 370 (1B) of the Companies Act, 1956; except the Guarantee given on the behalf of it's group company Darshan Agroils Ltd. Refer to Note no. B (I) (4) in Schedule - S of attached Balance Sheet and Profit and Loss Account for the year.
9. In our opinion and according to information and explanations given to us, the company has not granted loans and advances in the nature of loans during the year except advances made in normal course of business.
10. In our opinion and according to information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and nature of its business with regard to purchase of raw material, stores including components, Plant and Machinery, equipment and other assets and with regard to sale of goods.
11. In our opinion and according to information and explanations given to us, the transactions of purchase of goods and raw material and sale of goods made in pursuance of contracts and arrangements to be recorded in the register as per provisions of Section 301 of the Companies Act, 1956 and aggregating during the year Rs. 50,000/- or more in respect of each party wherever have been made at prices which are reasonable having regard to prevailing market prices for such goods, material or the prices at which the transactions for similar goods have been made with other parties.
12. As explained to us, the company has a regular procedure for determination of unserviceable or damaged stores, raw material and finished goods. However, loss if any, in the above items have not been provided as the quantum thereof is not ascertained.
13. In our opinion and according to information and explanations given to us, the company has accepted deposits from Public and have complied with the necessary formalities under section 58 - A of the Companies Act, 1956.
14. The company has maintained reasonable records, sale and disposal of realisable waste (spent earth) and by- products, as regards other wastage, unusual broken components, spare parts, and other miscellaneous items, no quantitative records are maintained and these are accounted for at the time of disposal.
15. According to information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
16. We have been informed that Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for production of edible Oil except that of vanaspati where in accordance with the information supplied and explanation given to us, the company maintains the prescribed cost records, in accordance with the Companies Act, 1956.
17. According to the records of the company, Provident Fund dues have generally been regularly deposited during the year with the appropriate authority. We have been informed that the company is not required to make Employee State Insurance contribution.
18. According to the information and explanation given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth tax, Sales tax, Excise Duty and Custom Duty except that of Rs. 125 lacs toward compounding Trade Tax, outstanding as at 31st March, 2000 for a period exceeding six months from the date they become payable.
19. According to information and explanations given to us, no personal expenses other than those payable under contractual obligations or in accordance with generally accepted business practice have been charged to revenue account.
20. The Company is not a Sick Industrial company within the meaning of clause (o) of sub section (1) of section 3 of the Sick Industrial Companies (special provisions) Act, 1985.
21. This rule is not applicable to this company since company does not have any damaged or obsolete goods, hence the question of determining the valuation of damaged goods also does not arise.

For RASOOL SINGHAL & CO.,
Chartered Accountants,

Place : Aligarh
Date : 10th July, 2000

M. H. SINGHAL
Partner