

20th

Annual Report

2001-02

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DARSHAN OILS LIMITED



Board of Directors

Gurbachan Singh
Chairman & Managing Director

Satinder Singh

Ravjit Singh

Surjit Singh Bindra

Davinder Singh Bindra

Ravinder Nath Goyal

Bankers

Punjab National Bank
International Banking Branch,
DCM Building, Barakhamba Road,
New Delhi-110 001

Pushpa Priyani
Company Secretary

Auditors

Mital and Kumar
Chartered Accountants
B-119, Centre Point
Marris 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.)

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ANNUAL GENERAL MEETING

Day : Friday
Date : 20th September, 2002
Time : 10.30 a.m.
Place : 6th Km. Stone on Delhi G. T.
Road, Aligarh



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of **DARSHAN OILS LIMITED** will be held on Friday, the 20th September, 2002 at 10.30 a.m. at 6th Km. Stone on Delhi G. T. Road, Aligarh to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2002 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 Shri Satinder Singh, 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.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to provisions of Sections 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 Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2002 upon the terms and conditions as set out herein below: -

- 1) Salary of Rs. 22,000/- per month.
- 2) Contribution to Provident Fund, Superannuation Fund and Annuity Fund shall be as per the rules of the Company.
- 3) Gratuity not exceeding half a month's salary for each completed year of service.
- 4) Provision of car for use on company's business and telephone at residence.

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

"RESOLVED THAT Shri Davinder Singh Bindra 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 provision 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."

6. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT Shri Surjit Singh Bindra 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 provision 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."

20th August, 2002
Registered Office :
Udai Singh Jain Road,
Aligarh(U.P.) 202 001

By Order of the Board

Gurbachan Singh
Chairman & Managing Director

**NOTES:**

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item Nos.4 to 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 Wednesday, the 18th September, 2002 to Friday, the 20th September, 2002 (Both days inclusive).
4. Members/Proxies should bring the Attendance Slip duly filled up for attending the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item. No. 4:**

The tenure of appointment of S. Gurbachan Singh as Managing Director of the Company has expired on 31st March, 2002. The Board of Directors in its meeting held on 30th May, 2002 has reappointed S. Gurbachan Singh as Managing Director of the Company for a period of 5 years with effect from 1st April, 2002.

The Directors recommend the proposed resolution for your approval.

None of the Directors of the Company, except S. Gurbachan Singh and S. Satinder Singh, is in any way concerned or interested in this resolution.

Item. No. 5 and 6:

Shri Davinder Singh Bindra and Shri Surjit Singh Bindra were appointed Additional Directors pursuant to section 260 of the Companies Act, 1956 by the Board of Directors of the Company in its meeting held on 16th August, 2002. They can hold office upto the date of the 20th Annual General Meeting of the Company. It terms of section 257 of the Companies Act, 1956, the Company has received notices in writing along with necessary deposit from members signifying their intention to propose the candidatures of Shri Davinder Singh Bindra and Shri Surjit Singh Bindra for the office of Directors.

The Directors recommend the proposed resolutions for your approval.

None of the Directors of the Company except Shri Davinder Singh Bindra and Shri Surjit Singh Bindra is in any way concerned or interested in these resolutions.

20th August, 2002
Registered Office :
Udai Singh Jain Road,
Aligarh(U.P.) 202 001

By Order of the Board

Gurbachan Singh
Chairman & Managing Director



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 20th Annual Report of the Company with the Audited Statement of Accounts for the year ended 31st March, 2002.

WORKING RESULTS

	<u>2001-02</u>	<u>2000-01</u>
		(Rs. in Lacs)
Sales & other Income	11856.29	13781.01
Profit before Interest, Depreciation & Tax	17.68	438.53
Less: Interest	251.20	255.82
Depreciation	140.48	62.24
Net Profit/Loss before Tax	(-) 374.00	120.46
Less: Provisions for Tax	-	10.21
Net Profit/(Loss) for the year	(-) 374.00	110.25
Add: Profit brought forward from last Account	119.24	84.84
Profit available for appropriation	(-) 254.76	195.09
Less: Trasfer to General Reserves & others	(-) 202.79	75.85
Balance Carried over to Balance Sheet	(-) 51.97	119.24

OPERATIONS

Turnover during the year has decreased to Rs. 118.56 crores from Rs. 137.81 crores in the previous year 2000-01. The Company has incurred loss of Rs. 374.00 lacs during the year whereas Rs. 110.25 lacs was earned by the Company during last year.

Keeping in view the financial position of the Company, your Directors has not recommended dividend during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

Details of energy conservation and research and development activities undertaken by the Company alongwith 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 2001-02, Company has accepted deposits from the public. The Company has made repayments on premature and matured deposits which were claimed by the investors during this year. There is no outstanding deposit which is matured and claimed, although deposits of Rs.65,000/- are matured but not claimed.

DIRECTORS

Pursuant to the provisions of section 256 of the Companies Act, 1956 S. Satinder Singh retires by rotation and being eligible, offers himself for reappointment.

Shri S. C. Singhal and Shri S. C. Jain has resigned from the Directorship of the Company w.e.f. 07.08.2002 and 18.07.2002 respectively.

The tenure of S. Gurbachan Singh as Managing Director has expired on 31.03.2002. The Board of Directors



has reappointed him for a further period of 5 years.

Shri Davinder Singh Bindra and Shri Surjit Singh Bindra were appointed as Additional Directors of the company by the Board of Directors on 16.08.2002. Pursuant to section 257 of the Companies Act, 1956, company has received Notice alongwith requisite deposit from members signifying their intention to propose them for the office of Directors.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217 (2AA) of the Companies Amendment Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the Annual Accounts for the financial year ended 31.03.2002, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the directors had prepared the accounts for the financial year ended 31.03.2002 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, as amended, are not being furnished herewith since there is no employee who is getting remuneration as per the provisions therein.

STOCK EXCHANGE LISTINGS

Equity shares of your company are listed on U P Stock Exchange, Kanpur, The Stock Exchange, Mumbai, The Delhi Stock Exchange Association Limited, New Delhi, The Stock Exchange, Ahmedabad and Jaipur Stock Exchange Limited, Jaipur. The Company has paid annual listing fee to all the above Stock Exchanges for the year 2001-02.

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 Mital and Kumar, 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 and Members of the Company for their continued support and confidence in the Company.

On behalf of the Board

Place : ALIGARH

Date : 20.08.2002

Gurbachan Singh
Chairman & Managing Director

DARSHAN OILS LIMITED



ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY:

(a) Energy Conservation Measures Taken;

The suitable size innovative fanless type; fill less type induced drafts, higher capacity, latest technically proven cooling tower was installed. It resulted with superior performance and longer life span; zero maintenance; power & water saving; with constant efficiency for the cooling of the recirculated barometric water having significant dissolved fatty matters etc. It resulted in maintaining perfect and consistent vacuum conditions in the different process in all the seasons of the year.

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 redone 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 process.

(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 savings in energy consumption compared to the past years.

These measures are also expected to result in reduction in other costs of production.

B. TECHNOLOGY ABSORPTION

The process of hydrogenation of vegetable oils and the post treatment of hard oils and final deoderisation cum deacidification was significantly and constantly improved.

It resulted in better, uniform, granular perfect odour free vanaspati mainly under the brand name of "FIT VANASPATI".

The product has been accepted at par with the reputed brands for its consistent desired quality and is widely acclaimed in the market at premium.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2001-02 (Rs.)	2000-01 (Rs.)
(i) Foreign Exchange Earned	NIL	NIL
(ii) Outgo of Foreign exchange		
Value of Imports on CIF basis		
a) Raw Material	NIL	5,05,91,387



FORM " A "

(SEE RULE 2)

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION

	CURRENT YEAR 31.03.2002	PREVIOUS YEAR 31.03.2001
1. ELECTRICITY		
A. PURCHASED		
UNITS	1195025	1830519
TOTAL AMOUNT (Rs.)	6956719	8400063
RATE / UNIT (Rs.)	5.82	4.59
B. OWN GENERATIONON THROUGH DIESEL GENERATOR		
UNITS	3122292	4841572
UNITS PER LTR OF DIESEL	4	4
COST/UNIT (Rs.)	4.04	3.85
2. COAL		
QUANTITY (MT)	1146.250	2099.960
TOTAL COST (Rs)	2487570	4870714
AVERAGE RATE (Rs./MT) PER UNIT	2170.18	2319.43
3. FURNACE OIL/L.D.O.		
QUANTITY (LTR.)	165294	245803
TOTAL COST (Rs.)	2869298	3739699
RATE PER LTR.	17.36	15.21
4. OTHER INTERNAL GENERATION		
PADDY HUSK/DHAN KI BHUSI		
QUANTITY (MT)	11892.610	16139.255
TOTAL COST (Rs.)	11892610	15431319
RATE / UNIT (Rs.)	1000.00	956.14
B. CONSUMPTION PER UNIT OF PRODUCTION		
PRODUCTION (MT)	36674.560	51682.315
ELECTRICITY	117.720	129.100
FURNANCE OIL /L.D.O.	0.005	0.005
COAL	0.031	0.040
HUSK / DHAN KI BHUSI	0.324	0.312

On behalf of the Board

Place : ALIGARH
Date : 20.08.2002

Gurbachan Singh
Chairman & Managing Director



AUDITORS' REPORT

TO THE MEMBERS

We have audited the attached Balance Sheet of **DARSHAN OILS LIMITED**, Udai Singh Jain Road, Aligarh (U.P.) as at 31st March, 2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statement are the responsibilities of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that :-
 - i) 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;
 - ii) 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 those books;
 - iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of the written representations received from the directors, as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on as on 31st March, 2002 from being appointed as a director in terms of clause (g) of the sub-section (1) of the section 274 of the Companies Act, 1956;
 - vi) **Except that -**
 - (i) The Balances in Parties Accounts are subject to confirmation, reconciliation and realisation of cheques;
 - (ii) Details of amount outstanding to S.S.I. Units not available;
 - (iii) No provision has been made for interest on income tax liability that may arise.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so require and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet of the state of affairs of the company as at 31st March,