

21st

Annual Report

2002-03

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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 : 30th May, 2003
Time : 10.30 a.m.
Place : 6th Km. Stone on Delhi G. T.
Road, Aligarh



NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of **DARSHAN OILS LIMITED** will be held on Friday, the 30th May, 2003 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, 2003 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 Ravjeet Singh, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Ravinder Nath Goyal, 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 modification(s), as a **Special Resolution** :

"RESOLVED THAT pursuant to SEBI (Delisting of Securites) Guidelines 2003/Listing Agreement, applicable provisions of Companies Act, 1956 and Securities Contract Regulation Act, 1956, the consent of the Company be and is hereby accorded to Voluntarily delist 4056300 Equity Shares of Rs. 10/- each having distinctive Nos from 0001 to 4056300 from the Stock Exchange, Ahmedabad and the Board of Director be and is hereby authorised to do all such act, deeds, matters and things as may be necessary or proper to implement the resolution"

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

"RESOLVED THAT pursuant to SEBI (Delisting of Securites) Guidelines 2003/Listing Agreement, applicable provisions of Companies Act, 1956 and Securities Contract Regulation Act, 1956 the consent of the Company be and is hereby accorded to Voluntary delist 4056300 Equity Shares of Rs. 10/- each having distinctive Nos from 0001 to 4056300 from the Uttar Pradesh Stock Exchange Association Limited, Kanpur and the Board of Director be and is hereby authorised to do all such act, deeds, matters and things as may be necessary or proper to implement the resolution"

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

"RESOLVED THAT pursuant to SEBI (Delisting of Securites) Guidelines 2003/Listing Agreement, applicable provisions of Companies Act, 1956 and Securities Contract Regulation Act, 1956, the consent of the Company be and is hereby accorded to Voluntary delist 4056300 Equity Shares of Rs. 10/- each having distinctive Nos from 0001 to 4056300 from the Delhi Stock Exchange Association Limited, Delhi and the Board of Director be and is hereby authorised to do all such act, deeds, matters and things as may be necessary or proper to implement the resolution"

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

"RESOLVED THAT pursuant to SEBI (Delisting of Securites) Guidelines 2003/Listing Agreement, applicable provisions of Companies Act, 1956 and Securities Contract Regulation Act, 1956, the consent

DARSHAN OILS LIMITED

of the Company be and is hereby accorded to Voluntary delist 4056300 Equity Shares of Rs. 10/- each having distinctive Nos from 0001 to 4056300 from the Jaipur Stock Exchange, Jaipur and the Board of Director be and is hereby authorised to do all such act, deeds, matters and things as may be necessary or proper to implement the resolution"

26th April, 2003

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.5 to 8 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, the 29th May, 2003 to Friday, the 30th May, 2003 (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. 5to 8:**

The SEBI has come out with SEBI (Delisting of Securites) Guidelines 2003 in the month of February, 2003. As per Clause 5.2 of the said guidelines company may get its equity shares delisted voluntarily without giving an exit opportunity in cases where securities continue to be listed in a stock exchange having nation wide trading terminals. Your Company's equity shares are continued to be listed with the Stock Exchange, Mumbai which is having nation wide trading terminals. There is no trading volume, at present, in the Ahmedabad, Delhi, Kanpur and Jaipur Stock Exchanges of the equity shares of the company. Company could save money by getting delisted its shares from these stock exchanges.

The Directors recommend the proposed resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in this resolution.

26th April, 2003

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 21st Annual Report of the Company with the Audited Statement of Accounts for the year ended 31st March, 2003.

WORKING RESULTS

	<u>2002-03</u>	<u>2001-02</u>
	(Rs. in Lacs)	
Sales & other Income	4402.38	11856.29
Profit before Interest, Depreciation & Tax	(-) 226.29	17.68
Less: Interest	348.46	251.20
Depreciation	173.76	140.48
Net Profit/Loss before Tax	(-) 748.51	(-) 374.00
Less : Provision for exceptional Item	4.01	-
Less: Provisions for Tax	-	-
Add : Deferred Tax (Reversal)	200.03	-
Net Profit/(Loss) for the year	(-) 552.49	(-) 374.00
Add: Profit/Loss brought forward from last Account	(-) 51.97	119.24
Profit/Loss	(-) 604.46	(-) 254.76
Less: Trasfer to General Reserves & others	-	(-) 202.79
Balance Carried over to Balance Sheet	(-) 604.46	(-) 51.97

OPERATIONS

Turnover during the year has decreased to Rs. 44.02 crores from Rs. 118.56 crores in the previous year 2001-02. The Company has incurred loss of Rs. 552.49 lacs during the year whereas Rs. 374.00 lacs in the last year. Company has incurred losses due to disparity in the business and lack of working capital finance.

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

SICKNESS OF THE COMPANY

The company has become 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 in this year for the first time. The Board of Directors of your company in its meeting held on 26.04.2003 has decided to make a reference to the Board for Industrial and Financial Reconstruction (BIFR) under section 15 of the said Act.

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 2002-03, Company has not accepted deposits from the public. The Company has made repayments of deposits and there are no outstanding deposits.

DARSHAN OILS LIMITED**DIRECTORS**

Pursuant to the provisions of section 256 of the Companies Act, 1956 S. Ravjeet Singh and Shri Ravinder Nath Goyal retires by rotation and being eligible, offer themselves for reappointment.

Due to bad health of the company S. Gurbachan Singh, Managing Director has waived the remuneration payable to him by the company from 01.09.2002 onwards.

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 31.03.2003, 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 31.03.2003 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 2002-03.

INDUSTRIAL RELATION

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

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 : 26.04.2003

Gurbachan Singh
Chairman & Managing Director



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 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.

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 deodorisation 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:

	2002-03 (Rs.)	2001-02 (Rs.)
(i) Foreign Exchange Earned	NIL	NIL
(ii) Outgo of Foreign exchange		
Value of Imports on CIF basis		
a) Raw Material	NIL	NIL



FORM " A "
(SEE RULE 2)

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION

	CURRENT YEAR	PREVIOUS YEAR
	31.03.2003	31.03.2002
1. ELECTRICITY		
A. PURCHASED		
UNITS	805524	1195025
TOTAL AMOUNT (Rs.)	4326447	6956719
RATE / UNIT (Rs.)	5.37	5.82
B. OWN GENERATION		
THROUGH DIESEL GENERATOR		
UNITS	2956440	3122292
UNITS PER LTR OF DIESEL	4	4
COST/UNIT (Rs.)	4.17	4.04
2. STEAM COAL		
QUANTITY (MT)	162.765	1146.250
TOTAL COST (Rs.)	322734	2487570
RATE PER UNIT	1982.82	2170.18
3. FURNACE OIL/L.D.O.		
QUANTITY (LTR.)	80300	165294
TOTAL COST (Rs.)	1318397	2869298
RATE PER LTR.	16.42	17.36
4. OTHER INTERNAL GENERATION		
PADDY HUSK/DHAN KI BHUSI		
QUANTITY (MT)	4038.675	11892.610
TOTAL COST (Rs.)	4038675	11892610
RATE / UNIT (Rs.)	1000.00	1000.00
B. CONSUMPTION PER UNIT OF PRODUCTION		
PRODUCTION (MT)	11662.649	36674.560
ELECTRICITY	322.565	117.720
FURNANCE OIL /L.D.O.	0.007	0.005
COAL	0.014	0.031
HUSK / DHAN KI BHUSI	0.346	0.324

On behalf of the Board

Place : ALIGARH
Date : 26.04.2003

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, 2003 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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. The audit has been completed on the date mentioned hereinbelow on the requirement of the management of the company.
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 purposes 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, 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on as on 31st March, 2003 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 -**
 - (1) The Balances in Parties Accounts are subject to confirmation, reconciliation and realisation of cheques;
 - (2) The balances in (i) Punjab & Sind Bank, Aligarh A/c No. 45/11 (ii) Punjab & Sind Bank, Aligarh A/c. No. 47/11 (iii) Lord Krishna Bank Limited, Noida A/c No. 1360 (iv) Punjab National Bank, Saharanpur A/c No. 1994 (v) Punjab National Bank, Delhi A/c No. CC/26 (vi) Punjab National Bank, Delhi A/c No. CC/25 (vii) ABN Amro Bank Limited, Delhi A/c No. 719421 (viii) ABN Amro Bank Limited, Delhi A/c No. 731071 (ix) Canara Bank, Aligarh A/c No. 7564 (x) Punjab National Bank, Kandla A/c No. 309 (xi) HDFC Bank, Delhi (xii) Punjab National Bank,