

13th Annual Report 1997-98

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AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
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AMRIT ENTERPRISES LIMITED

BOARD OF DIRECTORS

Mr. N.K. Bajaj, Chairman
 Mr. J. K. Khaitan
 Mr. G. N. Mehra
 Mr. M.L. Sarin
 Mr. Yashovardhan Saboo
 Mr. S. C. Agarwal
 Mr. Pavan Khaitan, Managing Director

COMPANY SECRETARY

Mr. Harish Sharma

AUDITORS

M/s Goel Rajendar & Associates
 SCO 2A, Sector 7,
 Madhya Marg.
 Chandigarh - 160 019

PRINCIPAL BANKERS

Oriental Bank of Commerce
 State Bank of Patiala

REGISTERED OFFICE

Old Dakanshu Kalan,
 Chandigarh Road,
 Rajpura (Pb.) - 140 401

WORKS

10 Km Stone,
 Abohar Sitto Gunno Road,
 Village Raipura, Tehsil Abohar
 Distt. Ferozpur - 152 116

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NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the members of Amrit Enterprises Limited will be held on Friday the 18th day of December, 1998 at Amrit Bhawan, Gobind Colony, Rajpura (Pb.) at 4.30 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 30th June, 1998 and the Profit & Loss Account for the financial year ended on that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Manmohan Lal Sarin, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Yashovardhan Saboo, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Goel Rajendar & Associates, Chartered Accountants, the retiring auditors of the Company are eligible and offers themselves for reappointment.

SPECIAL BUSINESS

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

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the approval of the Members of the

company be and is hereby accorded to the reappointment of Sh Pavan Khaitan, as Managing Director of the Company for a further period of three years with effect from 1st July, 1999 to 30th June, 2002 and the remuneration to be paid to him by way of salary, commission, perquisites and other allowances with effect from 1st July, 1998 as given hereunder :

- a) Salary : Rs. 20,000 per month in the grade of Rs. 20,000 - 5000 - 50,000.
- b) Commission : Not exceeding 1% of net profits of the Company subject to a ceiling of 50% of Annual Salary.
- c) Perquisites : In addition to Salary and Commission as stated above, Shri Pavan Khaitan will also be entitled to perquisites restricted to an amount equal to his annual salary as specified below :

PART - A

- i) Fully furnished accommodation or 40% of the salary as House Rent Allowance in case, no accommodation is provided.

The expenditure incurred by the Company on gas, electricity, water, furnishing and Chauffeur driven car(s) for private use will be valued as per Income Tax Rules, 1962. The use of telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the company.

- ii) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one months' salary in a year or three months' salary over a period of three years.
- iii) Leave Travel Concession : For self and family, once in a year to and from any place in India subject to the condition that only actual fare of ACC 1st Class/Air/taxi shall be reimbursed.



iv) Club Fees : Fees of Clubs subject to a maximum of two Clubs.

v) Personal Accident Insurance

That the above salary and perquisites are subject to the maximum ceiling under the Schedule XIII of the Companies Act, 1956.

PART B

i) Contributions by the Company to the Provident Fund and Superannuation Fund or Annuity Fund as per the rules of the Company to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

ii) Payment of Gratuity at the rate of one half month's salary for each completed year of service.

iii) Leave with full pay and allowances in accordance with the rules of the Company.

The perquisites as mentioned in Part B, shall however, not to be included in the computation of the ceiling on remuneration specified in Schedule XIII Part II.

d) Shri Pavan Khaitan shall not be entitled to sitting fees for attending meeting of the Board or Committee thereof.

e) Shri Pavan Khaitan will not be liable to retire by rotation.

RESOLVED FURTHER that where in any financial year during the currency of the tenure of Shri Pavan Khaitan, as Managing Director, the Company has no profit or the profits are inadequate, the remuneration by way of salary, commission and perquisites as above shall be payable to him as the minimum remuneration.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to alter and vary the terms and conditions including

minimum remuneration in such manner as may be agreed to between the Board of Directors and Shri Pavan Khaitan provided they are within and in accordance with the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto.

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

"RESOLVED that in accordance with the provisions of Section 149 (2A) of the Companies Act, 1956, the Company hereby approves the commencement of any or all such new business as have been incorporated in sub-clause No. 60, 61, of Clause No. III part C of the Memorandum of Association of the Company."

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

"RESOLVED that if and when permitted, by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company or as may be prescribed or imposed while granting such approvals, sanctions, and permissions as may be agreed to or accepted by the Board, the consent of the members be and is hereby accorded to the Board, to purchase such number of Equity Shares of the Company, as may be thought fit, from the holders of Equity Shares including Financial Institution(s) in such manner as may be permitted under the law, not exceeding such percentage of the Capital of the Company as may be permitted under law, from such funds of the Company, as are permitted to be used



for this purpose on such terms and conditions as prescribed under law."

"RESOLVED FURTHER that Board of Directors of the Company be and is hereby authorised to do all such acts and things to give effect to above resolution."

"RESOLVED FURTHER that nothing contained in the above resolution confer any right on any shareholder to offer or any obligation on the Company or the Board, to buy back any Equity Shares."

By order of the Board
For AMRIT ENTERPRISES LIMITED

HARISH SHARMA
Company Secretary

Place : Chandigarh
Dated : 11th November, 1998

Books of the company will remain closed from Monday, 14th December, 1998 to Friday, 18th December, 1998 (both days inclusive).

4. Members are requested to intimate to the Company, changes, if any, in their Registered Addresses alongwith Pin Code number immediately.
5. Members are requested to bring copies of the Annual Report and Attendance Slips duly filled in for attending the meeting as the same will not be supplied again at the meeting as a measure of economy.
6. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that answers may be made readily available at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE

NOTES :

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items No. 5, 6 and 7 annexed herewith and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
3. The Register of Members and Share Transfer

Item No. 5

Sh. Pavan Khaitan was appointed as Managing Director of the Company for a period of 5 years with effect from 1st July, 1994. Later the Shareholders of the Company in the 11th Annual General Meeting held on 18th November, 1996, have increased the remuneration and perquisites payable to Sh. Pavan Khaitan, with effect from 1st October, 1996 till the remainder of his term i.e. upto 30th June, 1999. The present term of office of Sh. Pavan Khaitan, as Managing Director of the Company expires on 30th June, 1999. The Board of Directors at their meeting held on 30th October, 1998 re-appointed him as Managing Director of the Company for a further period of three years with effect from 1st July, 1999 and increase in remuneration and perquisites payable to him with



effect from 1st July, 1998, subject to the approval of the Members of the Company at the Annual General Meeting.

Shri Pavan Khaitan has been associated with the Company since 1991. He is Chartered Accountant by profession. He was instrumental in setting up the Vanaspati and Refined Oils project. During his tenure as Managing Director, he has provided dynamic and effective leadership to the Company's Management team and the Company has increased its capacity from 40 TPD to 80 TPD. Looking to the increase in size and activities of the Company, the Directors of the Company feel that remuneration and perquisites proposed are reasonable and adequate having regard to his qualification and experience which are within the limits permissible under Schedule XIII of the Companies Act, 1956. The revised remuneration and perquisites payable to Shri Pavan Khaitan are being placed before the shareholders for their approval.

The Notice and Explanatory Statement may be treated as an abstract of the terms and conditions of the appointment and payment of remuneration to Shri Pavan Khaitan as required under section 302 of the Companies Act, 1956.

None of the Directors of the Company except Shri Pavan Khaitan and Shri J.K. Khaitan, being a relative of Shri Pavan Khaitan, may be regarded as concerned or interested in the passing of the resolution to the extent of remuneration payable to him.

Item No. 6

The Shareholder of the Company in the last Annual General Meeting held on 23rd December, 1997 have added sub-clause No. 60 and 61 to clause No. III Part C of the Memorandum of Association of the Company so as to include Oil milling, Oil extraction, Ginning, Cattle feed, dealing with gases like

Oxygen and Hydrogen, Oil cakes, Soaps, Oil crushing, trading in all kind of oils etc. The approval of the Members by a Special Resolution is necessary pursuant to the provisions of Section 149 (2A) of the Companies Act, 1956 to commence the new business activities. The special resolution is proposed accordingly.

None of the Directors of the Company is interested in this Special resolution.

The Board of Directors of your Company recommends this Special Resolution for your approval.

Item No. 7

The Companies Act, 1956 presently prohibits a Company from purchasing its own shares. However, it is anticipated to buy back its own shares. Since, there is proposal to enact law for buy back of shares by the Companies legally, it is proposed to enable the Company to buy-back its shares not exceeding such percentage of the Capital of the Company as may be permitted by law either from the open market or from financial Institutions, or from the holders of odd lots as permitted by law as and when enacted. The same would be at the rate and from the funds as permitted by law as set out in the Resolution.

None of the Directors of your Company is interested in this Special Resolution.

The Board of Directors of your Company recommends this Special Resolution for your approval.

By order of the Board
For AMRIT ENTERPRISES LTD.

Place : Chandigarh
Date : 11th Nov., 1998

HARISH SHARMA
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the 13th Annual Report of the Company together with Audited Accounts of the Company for the year ended 30th June, 1998.

FINANCIAL RESULTS

		(Rs. in lacs)
	1997-98	1996-97
Sales and other income	6067.67	4119.10
Profit before Interest, Depreciation & Tax	228.18	205.90
Interest	90.22	63.28
Depreciation	88.68	84.74
Profit before Tax	49.28	57.88
Tax	5.18	9.00
Net Profit	44.10	48.88
Prior period adjustments	0.16	73.58
Balance of Profit from previous year	26.26	50.96
Balance carried forward	70.20	26.26

Your Directors do not recommend any dividend for the year with a view to conserve resources for expansion and future growth.

OPERATIONS

During the year under report, your Company has successfully increased its capacity from 40 TPD to 80 TPD. The Company achieved a total annual production of 15793 MT of Vanaspati and Refined Oils as against 11260 MT in the previous year. The gross sales during the year under review was substantially higher at Rs. 6066.76 lacs as against Rs. 4117.62 lacs in previous year translating into a growth of 47% over the previous year. The gross profit during the period is Rs. 228.18 lacs compared to Rs. 205.90 lacs in previous year.

EXPANSION

In order to lower the cost of production, the Company proposes to install physical Refinery plant for conversion of Non-Edible Grade Oil into Edible Grade Oil. Processing of oil through Physical refinery will lead to lower losses and will allow us to purchase Non Edible Grade oil, which is available at much lower rates and hence enable us to lower our cost of production.

REGISTERED OFFICE

In line with the decision taken by the Shareholders for shifting of Registered Office of the Company from the Union Territory of Chandigarh to the State of Punjab in the last Annual General Meeting, the Company Law Board has approved the shifting of Registered Office. Now, the Registered Office of the Company is situated at Old Dakanshu Kalan, Chandigarh Road, Rajpura - 140 401 in the State of Punjab.

PUBLIC DEPOSITS

The Company continues to accept Fixed Deposits from the public within the prescribed limits. Deposits maturing during the year 1997-1998 were paid on respective due dates. Two deposits aggregating to Rs. 0.65 lacs remain unclaimed at the end of the year.



DIRECTORS

In accordance with the Articles of Association and in terms of the provisions of the Companies Act, 1956, Shri Manmohan Lal Sarin and Shri. Yashovardhan Saboo, Directors of the Company retires from office by rotation and being eligible offers themselves for re-appointment. The Board of Directors recommends their re-appointment to the members of the Company.

AUDITORS

M/s Goel Rajendar & Associates, Chartered Accountants, Chandigarh the Statutory Auditors will retire at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The Company has received a certificate from them to the effect that the re-appointment, if made, will be in accordance with provisions of Section 224 (IB) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Additional information on Conservation of Energy, Technology Absorption, Foreign Exchange Earning and outgo as required to be disclosed in terms of Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to the Director's Report.

INDUSTRIAL RELATIONS

The relations between the Company and its employees continues to cordial and healthy throughout the year.

PARTICULARS OF EMPLOYEES

As required under Section 217(2-A) of the Companies Act, 1956 and Rules framed thereunder, the provisions of Companies (Particulars of Employees) Rules 1975 as amended read with Section 217(2A) of the Companies Act, 1956, are not applicable to the Company as there are no employees drawing the minimum salary envisaged in the rules.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation to the Central and State Governments, Financial Institutions, Bankers for their continued support and cooperation. The Directors also take the opportunity to thank the shareholders, depositors, dealers and their business associates for their continued support and confidence. Your Directors also record their appreciation for the dedicated services rendered by the workers, staff and officers of the Company.

**By Order of the Board
for AMRIT ENTERPRISES LIMITED**

Place : Chandigarh
Date : 11th November, 1998

J.K. KHAITAN
Director

PAVAN KHAITAN
Managing Director