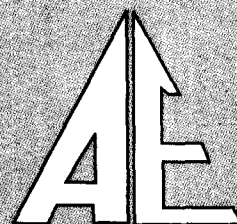


18th Annual Report 2002-2003

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AMRIT ENTERPRISES LIMITED

BOARD OF DIRECTORS	Mr. N.K. Bajaj, Chairman Mr. J. K. Khaitan Mr. M.L. Sarin Mr. Yashovardhan Saboo Mr. Romesh Lal Mr. S. C. Agarwal Mr. Pavan Khaitan, Managing Director
PRESIDENT	Mr. S. K. Agrawal
COMPANY SECRETARY	Mr. Harish Sharma
AUDITORS	M/s Goel Rajendar & Associates, SCO 2A, Sector 7, Madhya Marg, Chandigarh - 160 019
BANKERS	State Bank of Patiala Oriental Bank of Commerce
REGISTERED OFFICE	Old Dhakansu Kalan, Chandigarh Road, Rajpura (Pb.) - 140 401
WORKS	10 Km Stone, Abohar Sitto Gunno Road, Village Raipura, Tehsil Abohar Distt. Ferozpur - 152116



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NOTICE

Notice is hereby given that the eighteenth Annual General Meeting of the Company will be held on Saturday, the 27th day of September, 2003 at 11.00 A.M. Amrit Bhawan, Gobind Colony, Rajpura (Punjab) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Accounts of the Company for the financial year ended 31st March, 2003 , and Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. N.K. Bajaj, who retires by rotation and being eligible offers himself reappointment.
3. To appoint a Director in place of Mr. Yashovardhan Saboo, who retires by rotation and being eligible offers himself reappointment.
4. To appoint Auditors of the Company 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 with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT Mr. Romesh Lal , whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom , the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Romesh Lal for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to retirement by rotation.

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

RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors under Section 17 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 for insertion of Clause No. 62, 63 and 64 as new clauses immediately after the existing clause no. 61 under 'Other Objects' Part C of the Memorandum of Association of the Company as under:

62. To establish, install, set up, acquire , own, take on lease or otherwise and to carry on

the business of rice sheller, rice parboiled plant, sorting of rice, solvent plant, rice grains and to carry on the business of processing/ shelling, trading, buying/ selling, import/export and marketing of paddy and rice of all varieties of raw or par boiled rice including its by-products.

63. To generate, distribute, transit power and acquire, deal , construct, lay down, establish, promote, erect, build, install, commission, carry out and run all necessary power plants , based on turbine system, solar, hydro, electrical , bio electrical, electric substations, workshops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution and supply of electricity for indigenous use, to industries, state electricity boards and other boards for industrial, commercial, domestic, public and other purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines.

64. To carry on the business of farming, contract farming, carry on the business of merchant importers and exporters, wholesalers, buyers, sellers, suppliers, agents of all kinds of Agro, horticulture, floriculture of all kinds of agriculture products and to and Agro based products, oilo chemicals, bio chemicals, bio diesel etc.

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

RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities, the Articles of Association of the Company be and are hereby altered in the following manner :

The following new Article No. 62 A be inserted after the existing article 62:

62 A Dematerialisation of Securities

1. Definitions

For the purpose of this Article

'Beneficial Owner' means a person or persons whose name(s) is recorded in the Register



maintained by a Depository under the Depositories Act, 1996 (22 of 1996).

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.

'SEBI' means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (15 of 1992)

'Security' means such security as may be specified by SEBI from time to time and includes all kinds of shares or debentures which may be issued from time to time by the Company and which are entitled to be dematerialised.

'Members' in respect of dematerialised shares means the beneficial owner thereof i.e. the person or persons whose name is recorded as a beneficial owner in the register maintained by a Depository under the Depositories Act, 1996, and in respect of the shares, the person or persons whose name is duly registered as a holder of a share in the Company from time to time and includes the subscribers to the Memorandum of Association.

'Corporate Benefits' means and includes the benefits like dividend on the shares, interest on debentures, rights, options and bonus entitlements, which may at any time be bestowed on the holders of the securities by virtue of holding of securities.

2. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise the securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or otherwise.

3. Issue of Securities and option to investors:

Notwithstanding anything contained in these Articles every issue of securities by the Company may be in the dematerialised form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to rematerialise the shares subsequent to the allotment or dematerialisation, as the case may be, in which event the company shall issue to the investors/beneficiary the required certificates of securities subject to the provisions

of applicable laws, rules, regulations or guidelines.

4. Securities of the depository mode to be in fungible form.

All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository owner, nothing contained in Sections 153, 153A, 153B, 187B, 187C, 372 of the Act shall apply in accordance with Section 9(2) of the Depositories Act, 1996 (22 of 1996)

5. Right of Depositories and Beneficial Owners:

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have other membership rights or be entitled to the corporate benefits that may accrue to the members of the company.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be the member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities like payment of unpaid call monies and furnishing of such information as may be necessary to enable the company to enter his name in the register and index of beneficial owners or other records as applicable in respect of the securities held in the depository mode of which he is the beneficial owner.

6. Service of documents on Company

Notwithstanding anything in the Act or these articles to the contrary, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the company by means of electronic mode or by delivery of floppies or discs.

7. Service of notice on beneficial owners

Wherever required, the company may serve a notice for any purpose under the Act in accordance with the provisions of Section 53 of the Act, or as permissible under any law or statute for the time being in force.



8. Transfer of Securities

Nothing contained in Section 108 of the Act, or these articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered in the Register maintained under the Depositories Act, 1996 (22 of 1996).

9. Distinctive numbers of Securities held in depository mode

Nothing contained in the Act or under these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held in the depository mode.

10. Register and Index of members

(a) The Company shall cause to be kept a Register and Index of members in accordance with applicable provisions of the Act and the Depositories Act, 1996 (22 of 1996) with details of shares in material and dematerialised forms in any media as may be permitted by law, including in any form of electronic media.

(b) The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be a Register and index of members and holders of securities for the purpose of these articles and the Act.

11. Issue of Share Certificates

In the case of transfer and transmission of shares where the Company has not issued any certificates and where such shares are being held in an electronic and fungible form in a Depository, the provisions of the Depository Act, 1996, shall apply.

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

RESOLVED THAT pursuant to Section 149(2A) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities,

the consent of the Company be and is hereby accorded for commencement of any or all such new business(s) as have been incorporated in sub – clause No. 62 to 64 of Clause No. III Part C of the Memorandum of Association of the Company.

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

RESOLVED THAT subject to the provisions of the Companies Act, 1956 including any statutory modifications or re-enactment thereof for the time being in force, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company, consent is hereby accorded to the Board to delist the Company equity Shares from The Ludhiana Stock Exchange Association Limited at Ludhiana.

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

**Regd Office :
Old Dhakansu Kalan,
Chandigarh Road,
Rajpura (Punjab)
18th August, 2003**

**Sd/-
Harish Sharma
Company Secretary**

NOTES :

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item no. 5 to 9 and relevant details in respect of item no. 2, 3 and 5 above, pursuant to clause no. 49 of the listing agreement are annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.



3. The Registers of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 24th day of September, 2003 to Saturday, the 27th day of September, 2003 (both days inclusive),
4. Members desiring any information on the business to be transacted at the meeting are requested to sent the queries in writing at least 10 days in advance to enable the management to keep the information ready at the meeting.
5. Members are requested to notify to the Company immediately any change in their address quoting ledger folio number.
6. Members are requested to bring their copies of Annual Report at the meeting as extra copies will not be supplied.
7. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend the meeting.
8. Pursuant to listing requirements, the Company declares that its equity shares are listed on Stock Exchanges at Mumbai, Delhi and Ludhiana. The Company has paid the Annual Listing Fee for the year 2003-2004 to all the Stock Exchanges mentioned above.
9. In terms of Section 109 A of the Companies Act, 1956, the shareholders may nominate a person on whom the shares held by him/her/them shall vest in the event of his/her/their death. Shareholders desirous of availing this facility may submit nomination in Form No. 2B.
10. To facilitate trading in equity shares in dematerialized form, the Company has applied to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for allotment of ISIN (International Securities Identification Number), which is awaited. M/s Alankit Assignment Limited, 205-208, Anarkali Market, Jhandewalan Extension, New Delhi 110055, Tel.: 011-5150060-63 Fax : 011-51540064, e-mail : alankit@alankit.com has been appointed as Registrar both for physical and electronic connectivity.
11. The transaction at serial no. 6 requires consent of the members through postal ballot as per Companies (passing of the resolution by postal ballot) Rules, 2001. In respect of passing of above resolution by postal ballot, members may note that:
 - a) A member desiring to exercise vote by postal ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed postage prepaid business reply envelope. Postage will be borne and paid by the Company. However, an envelope containing postal ballot, if sent by courier at the expense of the registered shareholders will also be accepted.
 - b) The self – addressed postage prepaid business reply envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.
 - c) The enclosed postal ballot form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signatures registered with the Company) by the first named shareholder and in his absence, by the next named shareholder. In case of Corporate Shareholders, the form should be signed by an authorised signatory, whose signature is already registered with the Company.
 - d) Unsigned Postal Ballot form will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
 - e) Duly completed postal ballot form should reach the scrutinizer not later than the close of working hours on 23rd September, 2003. Postal ballot received after this date will be strictly treated as if the reply from the member has not been received.
 - f) There shall be one postal ballot for every folio irrespective of the number of Joint holders. A proxy shall not exercise the postal ballot. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of despatch of the notice.
 - g) The Board of Directors has appointed Mrs. Munisha Gandhi, an Advocate as the Scrutinizer for conducting the postal ballot process. The self-addressed envelope bears the address of the scrutinizer appointed by the Company.
 - h) The result of the postal ballot shall be announced by the Chairman at the Annual General Meeting.
 - i) The date of declaration of the result of postal ballot will be taken to be date of passing of the resolution.



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

ITEM NO. 5

Mr. Romesh Lal was appointed as an Additional Director on 1st November, 2002 by the Board of Directors pursuant to Article No. 133 of the Articles of Association. In terms of Section 260 of the Companies Act, 1956 read with Article No. 133, he holds office upto the date of this Annual General Meeting. The Company has received notice in writing from a member under section 257 of the Companies Act, 1956, alongwith security deposit as required under that section, signifying his intention to propose the appointment of Mr. Romesh Lal as Director of the Company, whose period of office will be liable to retirement by rotation.

Mr. Romesh Lal, aged 62 years is graduate from University of Delhi (First Class First), C.A.I.I.B (II) having three decades of experience in the field of banking covering all facet of the banking industry such as Administration, Business Development, Credit Administration, International Banking Operations, Human Resource Development etc. . He served Punjab National Bank as General Manager and nominated as Executive Director of Dena Bank.

The Board considers his long and varied experience will largely help the Company's growth and that it will be in the interest of the Company to appoint him as Director. The Directors therefore, recommend the passing of the ordinary resolution contained at item no. 5 of the notice for appointment of Mr. Romesh Lal as Director of the Company.

None of the directors of the Company except Mr. Romesh Lal may be considered to be interested in the above resolution.

Item No. 6

Looking into the industrial scenario, your Company wishes to explore the business opportunities in the areas of trading in rice, power generation, contract farming and other business(s) stated in item no. 6 of the notice. In view of the same, it is proposed to amend the Object Clause of Memorandum of Association Part C by inserting clause no. 62,63 and 64 after the existing clause no. 61 of the Memorandum of Association of the Company.

The Board of Directors recommend the passing of the resolution covered under item no. 6 of the notice as special resolution.

None of the directors of the Company may be considered to be interested in the above resolution

Item No. 7

The Securities & Exchange Board of India (SEBI) has made Demat trading of equity shares compulsory. As the trading in shares has been made compulsory through demat, therefore, Company may be required to sign agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) to enable shareholders to dematerialize their shareholding in the Company. The Depositories Act, 1996 has amended certain provisions of the Companies Act, 1956 pertaining to issue, holding, transfer, transmission and dealing in shares etc. so as to facilitate introduction & implementation of depository system. It is therefore, proposed to amend the Articles of Association of the Company suitably to incorporate therein the necessary provisions relating to the depository system, as given in the resolution. The Board recommends the resolution for approval of the Shareholders as special resolution.

None of the directors of the Company may be considered to be interested in the above resolution

Item No. 8

Due to change of economic scenario, the Board of Directors have decided to commence the business i.e. trading in rice, power generation, contract farming and other business as stated in Clause no. 62 to 64 of the Memorandum of Association, for which approval of the members by way of special resolution is required pursuant to Section 149(2A) of the Companies Act, 1956.

The Board recommends the resolution for approval of the Shareholders as special resolution.

None of the directors of the Company may be considered to be interested in the above resolution

Item No. 9

The shares of the Company are presently listed at Ludhiana, Delhi and Mumbai Stock Exchanges. With the wide and extensive networking of BSE centers, the investors have access to online trading and the shares of the Companies are not traded at other Stock Exchanges. The Company has been paying listing fee to Ludhiana Stock Exchange annually without any benefit to the investor. The continued listing on the said Stock Exchange is not considered necessary. It would further contribute to reduction in administrative



cost of the Company. The proposed delisting of shares from the Stock Exchange will not adversely affect any investor including members located in the regions where the said Stock Exchange is situated. Pursuant to the SEBI (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the members approval by way of special resolution for voluntary delisting of Company's equity shares from Ludhiana Stock Exchange as set out in the resolution at item no. 9. In terms of the said guidelines, as the Company's Shares shall continue to remain listed on Bombay & Delhi Stock Exchanges, no exit option is required to be offered to the shareholders.

The Board recommends the resolution for approval of the Shareholders' as special resolution.

None of the directors of the Company may be considered to be interested in the above resolution

Inspection of Documents

The documents pertaining to special business are available for inspection by members of the Company at its registered office between 10.30 A.M. to 12.30 P.M. on any working day upto the date of the meeting.

Information about the appointee:

A. Mr. Romesh Lal

Mr. Romesh Lal, Additional Director aged 62 years is graduate from University of Delhi (First Class First), C.A.I.I.B (II) having three decades of experience in the field of banking covering all facet of the banking industry such as Administration, Business Development, Credit Administration, International Banking Operations, Human Resource Development etc. He served Punjab National Bank as General Manager and nominated as Executive Director of Dena Bank. At present he is also on the Board of I C Textiles Ltd.-nominee IDBI and Alcobex Metals Ltd.-Nominee PNB

He is Chairman of Audit Committee(s) of I C Textiles Limited and Alcobex Metals Limited and member of Shareholders Grievance Committee and remuneration committee of I C Textiles Ltd.

B. Mr. N. K. Bajaj

Mr. N. K. Bajaj, Chairman, aged 66 years is a versatile industrialist by Profession having more than three decades of vast experience in management and running of Edible Oils and

Paper industry. Besides this, he is on the Board of many other Companies. He is associated with various Chamber of Commerce and Industry, Trade organisation, and Educational Institutions. He remained President of IVPA, a national level association of Vanaspati producers. He is widely travelled person who possesses rich experience in analysing the national and international trends in various fields.

At present he is also on the Board of Amrit Banaspati Company Limited, Amrit Agro Industries Limited, SRGP Industries Limited, Amrit Pulp and Paper Industries Private Limited, Amrit Foundation for learning Limited and Amrit Land Development Company Private Limited.

He is Chairman/Member of Management Committee, Finance Committee and Investor Grievance Committee of Amrit Banaspati Co. Limited.

B. Mr. Yashovardhan Saboo

Mr. Yashovardhan Saboo, Director aged 45 years is an industrialist by profession having more than 20 years of experience in business and industry. He is Master of Business Administration from Indian Institute of Management, Ahmedabad.

He is on the Board of Kamla Dials and Devices Limited, Kamla Ornapac Limited, Hindustan Everest Tools Limited, Himachal Fine Blank Limited, Kamla Tesio Dials Limited and Vardhan Banda Limited.

He is member Audit Committee and Remuneration Committee with Amrit Enterprises Limited and member Shareholder Grievance committee, Transfer, Issue of Duplicate Shares Committee, Unaudited Financial Results Committee with Kamla Dials and Devices Ltd.

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

**Regd Office :
Old Dhakansu Kalan,
Chandigarh Road,
Rajpura (Punjab)
18th August, 2003**

**Sd/-
Harish Sharma
Company Secretary**



DIRECTORS' REPORT

The Directors take pleasure in presenting the 18th Annual Report of the Company and audited accounts for the year ended 31st March, 2003.

FINANCIAL PERFORMANCE

	2002-2003	(Rs. In lacs) 2001-2002
Sales	16387.83	12728.82
Other Income	9.53	8.96
Operating Profit (PBIDT)	421.89	418.33
Interest	66.44	73.85
Depreciation	138.70	151.79
Profit before tax (PBT)	216.75	192.69
Provision for tax	56.40	31.48
Deferred Tax Provision	5.22	11.04
Profit after Tax (PAT)	155.13	150.17
Prior period taxes	-0.98	0.25
Balance of Profit carried to Balance Sheet	154.15	150.42

OPERATIONS

The year 2002-2003 was a challenging year for your Company. The operations of the Company during the year were badly affected due to severe drought conditions prevailed in the country resulted in lower production of oil seeds, hence dependence on imported oils have increased. Almost 30 % of the land faced drought or near drought conditions. Secondly, entry of Multinational Companies in the edible oil sector, frequent changes in the Government Policies have also affected the operations with shrinkage of margins. Levy of 8% excise duty and unimplemented announcement about its rollback led to confusion which adversely affected the turnover during the year. The Sales tax exemption available to the Company has been fully availed during the year. To cope with the situation, your Company has started outsourcing of finished goods in four states to maintain the turnover and profitability.

Despite all these, your Company has been able to perform reasonably well and earned operating profit of Rs.421.89 Lacs as against Rs. 418.33 Lacs in the previous year. The Sales in value increased to Rs. 16387.83 Lacs as against Rs.12728.82 Lacs of the previous year. The production/purchase has decreased to 35591 M.T. from 36705 M.T. due to low off take.

DIVIDEND

Your Directors regret their inability to recommend any dividend for the year with view to conserve the resources for future growth and development.

FINANCE

During the year, State Bank of Patiala (SBOP) has been made lead bank in the consortium with Oriental Bank of Commerce (OBC). Your Company is enjoying working capital facilities both fund based Rs. 650 lacs and non fund based – Rs. 700 lacs from SBOP and OBC in the ratio of 60 : 40.



FIXED DEPOSITS

The Company had an aggregate amount of Rs. 172.35 lacs as deposit from the public and shareholders as on 31st March, 2003 (previous year – Rs. 131 lacs). There are 6 (previous year 6) deposits aggregating to Rs. 2.45 lacs (previous year 2.39 lacs) due for payment as on 31st March, 2003 as the same have not been claimed by the depositors. The Company has not defaulted in making payment to the small depositors. The Company continues to accept/renew deposits within the prescribed limits.

DIRECTORS

Mr. Rajiv Thakur and Mr. G. N. Mehra resigned from the office of Director with effect from 14th September, 2002 and 31st May, 2003 respectively, due to their personal reasons. Your Board places on record its appreciation for the valuable services provided by Mr. Thakur and Mr. Mehra during their tenure.

Pursuant to Section 260 of the Companies Act, 1956, Your Board had appointed Mr. Romesh Lal as an Additional Director on the Board of your Company on 1st November, 2002. Mr. Lal holds office upto the date of ensuing Annual General Meeting and to be appointed in the Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his appointment as a Director, subject to retirement by rotation.

Shri N. K. Bajaj and Shri Yashovardhan Saboo, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

AUDITORS & AUDITORS REPORT

Messrs. Goel Rajendar & Associates, Chartered Accountants, Chandigarh the auditors of the Company retires at the ensuing Annual General Meeting and being eligible have expressed their willingness to be reappointed. The Directors of the Company have recommended the appointment of Messrs. Goel Rajendar & Associates, Chartered Accountants, as Auditors for the next year. The audit report donot contain any qualification, hence do not call for any comments/ explanation by the directors.

DELISTING OF EQUITY SHARES

The Equity shares of your Company are presently listed on Mumbai, Ludhiana and Delhi Stock Exchanges. There is no trading of shares at Ludhiana Stock Exchange. Mumbai Stock Exchange have extensive networking of trading terminals, which facilitates trading by members across the country. The Board of Directors accordingly recommended for approval of the members, the proposal to voluntarily delist the Company's shares from Ludhiana Stock Exchanges. A Special Resolution seeking your approval for delisting of shares has been incorporated in the Notice of Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm :

- i) that in preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) that they have selected such accounting policies & applied them consistently & made judgements & estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company as at the end of the financial year & of the profit or loss of the Company for that period.
- iii) that they have 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;