



**AMRIT
ENTERPRISES
LIMITED**

20th
Annual Report
2005

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

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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of Amrit Enterprises Limited will be held on Saturday, the 17th day of September, 2005 at 11.00 A.M. at Amrit Bhawan, Gobind Colony, Rajpura (Punjab) 140 401 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, 2005 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri N. K. Bajaj, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri S.C. Agarwal, 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 Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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

Regd Office :
Old Dhakanshu Kalan,
Chandigarh Road,
Rajpura (Punjab)

30th July, 2005

Sd/-
Harish Sharma
Dy. General Manager (Corporate)
& Company Secretary

NOTES :

1. **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 A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Registers of Members and Share Transfer Books of the Company will remain closed from Monday, the 12th day of September, 2005 to Saturday, the 17th day of September, 2005 (both days inclusive).
3. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the meeting, to enable the management to keep the required information available at the meeting.



4. The Members/ proxies should bring copies of the Annual Report to the meeting since copies of the annual Report will not be distributed at the meeting.
5. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. Members holding shares in physical form are requested to advise any change of address immediately to the Company or the Registrars and Transfer Agents, M/s Alankit Assignments Limited, Delhi . Members holding shares in electronic form must advise about change in their addresses to their respective depository participant and not to the Company.
7. Pursuant to listing requirements, the Company declares that its equity shares are listed on Stock Exchanges at Mumbai and Delhi. The Company has paid the Annual Listing Fee for the year 2005-2006 to all the Stock Exchanges mentioned above.
8. To facilitate trading in equity shares in dematerialized form, the Company has entered into agreement with M/s National Security Depository Limited (NSDL) and M/s Central Depository Services Limited (CDSL). Members can open account with any of the depository participants registered with NSDL and CDSL.



Details of Directors seeking reappointment at the Annual General Meeting pursuance to Clause 49 of the Listing Agreement

Shri N. K. Bajaj

Shri N. K. Bajaj , aged 67 years , non-executive promoter director, is Chairman of the Company. He has graduated in commerce from Sri Ram College of Commerce, Delhi University . He is a versatile industrialist by profession having more than four decades of rich industrial experience in the edible oil and paper industry.

He is Chairman & Managing Director of Amrit Banaspati Company Limited and is on the Board of many other Companies. He is widely travelled person who posses rich experience in analysing the national and international trends in various fields. His foresightedness has enabled us to maintain a leading position in the edible oil industry.

At present, he is also on the Board of Amrit Banaspati Company Limited, Amrit Agro Industries Limited, Amrit Foundation for Learning Limited and SRGP Industries Limited. He is member of Audit Committee of Amrit Banaspati Company Limited.



Shri S. C. Agarwal

Shri S. C. Agarwal aged 65 years Chartered Accountant by profession having more than three decades of industrial experience in the edible oil industry. He is an Executive Director of Amrit Banaspati Company Limited. He is associated with various chambers of commerce and industry and social organizations.

He is Chairman of Audit Committee, Shareholders Grievance Committee and member of the Remuneration Committee with Amrit Enterprises Limited. He is not holding any directorship with any other public Company.

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

Regd Office :
Old Dhakanshu Kalan,
Chandigarh Road,
Rajpura (Punjab)

Sd/-
Harish Sharma
Dy. General Manager (Corporate)
& Company Secretary

30th July, 2005





DIRECTORS' REPORT

The Directors have pleasure in presenting the 20th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2005.

FINANCIAL RESULTS

	<u>2004-2005</u>	<u>(Rs. In lacs)</u> <u>2003-04</u>
Sales	24591.89	24351.27
Other Income	12.45	51.42
Operating Profit (PBIDT)	450.37	474.18
Interest	89.87	78.44
Depreciation	148.70	136.72
Profit before tax (PBT)	211.80	259.02
Provision for tax	90.59	57.55
Deferred Tax Provision	-9.58	7.51
Profit after Tax (PAT)	130.79	193.96
Prior period taxes	1.94	2.27
Balance of Profit carried to Balance Sheet	128.85	191.69

OPERATIONS

The performance of the Company during the year under report, though affected by various external factors, remained satisfactory.

Firstly, import of Vanaspati at zero rate of duty from Sri Lanka in comparison to 80 % of import duty paid by Indian Industry affected the industry, thus intensified the competition resulting in erosion of margins and volumes.

Secondly, setting up of refineries with huge capacity in the Kutch region with an excise duty exemption has posed a major threat to the survival of old established units in the country.

Thirdly, excise duty on edible oils has been abolished in the Union Budget for the year 2005-2006 announced in the month of February, 2005, though a welcome step but it led to specific loss for your Company because the Company could not recover excise duty from the customers on stocks lying at depots during the month of March, 2005 resulting in lower off take and lower realization.

Further, Your Company business was significantly affected on account of VAT implementation. This impact came largely during the last quarter when the dealers stopped buying fresh stocks due to lack of clarity on implementation of VAT.

Your Company has been able to marginally increase the production and sales volume from the last year. Despite stiff competition faced from the multi-national companies, during the year, production/purchase of vanaspati and refined oils has increased to 45469 M.T. and the sales grew to 45203 M.T. The Sales in value terms increased to Rs. 24592 lacs & earned an operating profit of Rs. 450.37 lacs.

Your Directors are not recommending any dividend for the year with a view to conserve the resources for future growth development and working capital requirements.



FIXED DEPOSITS

The Company had an aggregate amount of Rs. 162.43 lacs as deposit from the public and shareholders as on 31st March, 2005 (previous year – Rs. 207.05 lacs). There are no deposits outstanding as on 31st March, 2005 (previous year 23 deposits amounting to Rs. 8.14 lacs). The Company has not defaulted in making payment to the small depositors. The Company continues to accept/renew deposits within the prescribed limits.

SHARE CAPITAL

During the year under review, your Company has forfeited 230300 equity shares of Rs. 10/- each due to non payment of call money. The present paid up share capital of the Company is Rs. 5,01,94,000 (previous year - Rs. 5,24,97,000) consisting of 5019400 (previous year - 5249700) equity shares of Rs. 10/- each.

DIRECTORS

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

AUDITORS' AND AUDITORS REPORT

Messrs. Dass Gupta & Associates, Chartered Accountants, Chandigarh, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and being eligible offer themselves for reappointment. The name of the firm of Statutory Auditors, Goel Rajendar & Associates has been changed to Dass Gupta & Associates in view of their merger and change of name effective from 30th December, 2004. The Company has received a certificate from them certifying that their appointment, if made, would be within the limits specified under section 224(1-B) of the Companies Act, 1956. The Audit Committee and Board of Directors recommend the appointment of Messrs. Dass Gupta & Associates, Chartered Accountants, as Statutory Auditors for the next year.

The Statutory Auditors of the Company have submitted their report on the accounts of the Company for the accounting year ended 31st March, 2005, which is self-explanatory and needs no comments.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :

- (i) in preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
 - (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2005 and of the profit or loss of the Company for the period ended March 31, 2005;
 - (iii) 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) the Directors had prepared the annual accounts on a going concern basis.
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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

A statement containing necessary information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 , is annexed and forms part of this report.

PARTICULARS OF EMPLOYEES

Information required pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2002, as amended to date are not applicable as there is no employee drawing the minimum salary prescribed under the relevant provisions.

CORPORATE GOVERNANCE

As required under Clause no. 49 of the Listing Agreement, a separate report on Corporate Governance alongwith a certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance is annexed and forms part of the Annual Report.

A report on Management Discussions and Analysis for the financial year under review is annexed and forms part of the Directors report.

ENVIRONMENT CONSERVATION AND PROTECTION

The Company is fully conscious of its responsibility towards creating, maintaining and ensuring a safe, clean and healthy environment. The programmes in the areas of environmental protection and reduction in waste generation are regularly undertaken to create awareness among all employees to pursue work in a manner which promotes green and healthy environment. Strict adherence to all regulatory requirements and guidelines is maintained at all times.

HUMAN RELATIONS

Your Company maintained healthy, cordial and harmonious human relations at all levels. The Directors express their appreciation for the unstinting support and efforts of the employees at all levels towards the operations and growth of the Company.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the support and cooperation received from shareholders, dealers, business associates, suppliers, Banks , various Central and State Government Authorities towards growth of the Company and look forward to their continued support in future too.

For and on behalf of the Board of Directors

Chandigarh
30th July, 2005

Sd/-
J.K. Khaitan
Director

Sd/-
Pavan Khaitan
Managing Director



ANNEXURE TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT

1. CONSERVATION OF ENERGY

Your Company accords high priority to conservation of energy and has taken various steps in the direction like replacement of outdated energy intensive equipment with energy saving equipment's and artificial lighting with natural lights and timely maintenance of machines. The adoption of energy conservation measures have resulted in reduction in cost of production and less break down of machinery.

A. Power and Fuel Consumption

	<u>2004-2005</u>	<u>2003-2004</u>
1. Electricity		
a) Purchased		
Unit (KWH)	2221520	2333220
Total Amount (Rs.)	8129630	9223779
Rate/Unit (Rs.)	3.66	3.95
b) Own generation		
Through Diesel Generator		
Unit (KWH)	810017	727055
HSD for Generator (ltr.)	261114	234349
Unit per ltr of Diesel Oil	3.10	3.10
Value of Diesel	5333834	4119471
Cost/Unit (Rs.)	6.58	5.67
2. Coal		
Quantity (ton)	-	-
Total Cost	-	-
Average Rate	-	-
3. Furnace Oil	-	-
4. Others		
a) Rice Husk for Boiler (MT)		
Quantity (ton)	9998	7442
Total Cost (Rs.)	14895299	10293718
Rate/Unit (Rs./Ton)	1490	1383
b) HSD for Thermic Fluid Heater		
Quantity (KL)	18.355	277.14
Total Amount (Rs.)	374942	4871684
Rate/Unit (Rs./KL)	20427	17578

B. Consumption per Ton of Production

Unit Production (M.T.)	39367	36959
Electricity (KWH/MT)	77	83
Coal	-	-
Furnace Oil	-	-
Others	-	-
- Rice Husk (Kg/MT)	254	201
- HSD (Ltr/MT)	0.5	7



II. TECHNOLOGY ABSORPTION

Research and Development

The Company has set up Research and Development Centre which carry out work in several areas like improvement in quality of exiting products and processes, developing better product mix, development of new products and variants etc. Adoption of these measures helped in reduction in cost of production and wastage. Your Company accord high priority to the Research and Development activities as it is a continous process.

Expenditure on Research and Development

	<u>2004-2005</u>	(Rs. In lacs) <u>2003-2004</u>
Capital	0.03	0.00
Recurring	1.47	2.12
Total	1.50	2.12
Turnover	24591.89	24351.27
Total Research & Development Expenditure as a percentage of turnover	0.00	0.01

Technology absorption, adaptation and innovation

The Company has not imported any technology nor entered into any technical collaboration with any party during the year ended 31st March, 2005.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars with regard to Foreign Exchange Earnings and Outgo are given in Schedule 'O' to the Accounts.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Chandigarh
30th July, 2005

J.K. Khaitan
Director

Pavan Khaitan
Managing Director