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21st Annual Report 2005-06

BOARD OF DIRECTORS

Mr. N.K. Bajaj, Chairman
 Mr. J. K. Khaitan, Vice Chairman & Managing Director
 Mr. S.C. Agarwal
 Mr. Pavan Khaitan
 Mr. M.L. Sarin
 Mr. Yashovardhan Saboo
 Mr. Romesh Lal
 Mr. S. K. Agrawal, Executive Director

G.M. (FINANCE) & COMPANY SECRETARY

Mr. Rajesh Aggarwal

AUDITORS

Dass Gupta & Associates
 SCO 2-A, 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 21st Annual General Meeting of the members of **Amrit Enterprises Limited** will be held at Amrit Bhawan, Gobind Colony, Rajpura (Punjab) 140 401 on **Saturday, the 16th day of September, 2006 at 11 A.M.** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2006 and the Profit & Loss account for the year ended on that date together with the reports of the Auditors & Directors thereon.
2. To appoint a Director in place of Shri Romesh Lal , who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Yashovardhan Saboo, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of 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. S.K.Agrawal , 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. S.K.Agrawal for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall not be liable to retirement by rotation.

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

RESOLVED that

- I. pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the company be and is hereby accorded to the appointment of Shri J.K.Khaitan as Vice-Chairman & Managing Director of the Company for a period of 5 years w.e.f. 1st March, 2006.
 - II. Shri J.K.Khaitan being the Managing Director of ABCL, will not draw any remuneration by way of salary, perquisites and any other allowances or financial benefits nor he will be entitled to any sitting fee for attending meetings of the Board or Committee(s) thereof.
 - III. Shri J.K.Khaitan shall not be liable to retire by rotation.
7. To consider and if thought fit to pass with or without modification , the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED that pursuant to the provisions of Sections 198 ,269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the company be



and is hereby accorded to the appointment of Shri S.K. Agrawal as Executive director for a period of 5 years with effect from 1.4.2006 on a remuneration and other terms & conditions as set out hereunder:

I. (1) Salary

Gross Salary @ Rs 60000/-per month

(2) Perquisites and allowances

- i) The Executive Director shall also be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof subject to a ceiling of 50% of the salary, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servant' salaries, medical reimbursement for self and dependent family medical accident/Keyman Insurance, Leave travel concession for self and family, club membership subject to maximum of two clubs, uniform allowance and other allowances if any by whatever name called provided that such perquisites and allowances put together will be restricted to an amount equal to their annual salary.
 - ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of such Rules, perquisites and allowances shall be evaluated at actual cost.
 - iii) Provision for use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling. Personal long distance calls on telephone and use of car for personal purposes shall be billed by the company.
 - iv) Company's contribution to provident fund and Superannuation fund or annuity fund to the extent these either singly or together are not taxable under the income tax act, gratuity payable as per the rules of the company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- (3)** Where in any financial year during the currency of the tenure of the Executive director, the Company has no profit or profits are inadequate, the remuneration by way of salary, perks and allowances as set out above be paid as minimum remuneration or such minimum remuneration as permissible under Schedule XIII to the Companies Act, 1956.

- II.** S.K.Agrawal will not be entitled to sitting fees for attending meeting of the Board or Committee(s) thereof.

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

Regd Office :
Old Dhakanshu Kalan,
Chandigarh Road,
Rajpura (Punjab)
Dated : July 29th, 2006

RAJESH AGGARWAL
Company Secretary



NOTES:

1. Explanatory statement as required under section 173(2) of the Companies Act, 1956 is annexed.
2. Additional information, pursuant to clause no. 49 of the listing agreement in respect of directors seeking reappointment at the Annual General Meeting is annexed.
3. **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.**
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 11th day of September, 2006 to Saturday, the 16th day of September, 2006 (both days inclusive).
5. 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.
6. Members/ proxies are requested to bring their copy of the Annual Report as extra copies will not be distributed at the meeting.
7. Members holding shares in physical form are requested to intimate any change of address immediately to the Company or the Registrars and Transfer Agents, M/s Alankit Assignments Limited, 2 E/8, Jhandewalan Extension, New Delhi - 110 055. Members holding shares in electronic form must intimate about change in their addresses to their respective depository participant and not to the Company.
8. 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 2006-2007 to all the Stock Exchanges mentioned above.
9. Members/Proxies should fill the attendance slip for attending the meeting.
10. 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.
11. 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.



ANNEXURE TO THE NOTICE

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

ITEM NO. 5

Sh. S.K.Agrawal was appointed as an Additional Director w.e.f. 1st April 2006 pursuant to section 260 of the Companies Act, 1956 read with clause No. 133 of the Articles of Association of the company. As per said section additional director holds office up to the date of the Annual General Meeting and provisions of section 257 of the Companies Act, 1956 must be complied with in order to re-elect him as Director. The company has received a notice in writing from a member along with security deposit signifying his intention to propose the appointment of Sh. S.K.Agrawal as Director of the company, who shall not be liable to retire by rotation.

Sh. S.K.Agrawal has been overall in charge of manufacturing location at Abohar since its inception and is presently the President of the company. He is Engg. Graduate by profession and has rich experience of around 37 years out of which around 20 years have been put in the Edible Oil Industry. The company has benefited a lot by his team building efforts specifically and technical guidance in general.

The Directors therefore recommend the passing of the ordinary resolution contained at item no. 5 of the notice for appointment of Sh. S.K.Agrawal as Director of the Company.

None of the Directors of the Company except Mr. S.K.Agrawal may be considered to be interested in the above resolution.

ITEM NO. 6

Sh. J.K.Khaitan who is a promoter director of your company since 30.09.1994 was appointed as Vice-chairman & Managing Director of the company pursuant to section 269 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the shareholders in the Annual General Meeting for a period of 5 years commencing w.e.f. 1st March, 2006. Earlier to his appointment as Vice-Chairman & Managing Director, Mr. Pavan Khaitan had been the Managing Director of the company. The above change was necessitated due to resignation of Mr. Pavan Khaitan as Managing Director of the company.

The Directors therefore recommend passing of the **special resolution** contained at item No.6 of the notice for appointment of Shri J.K.Khaitan as Vice-Chairman cum Managing Director of the company.

Mr. Pavan Khaitan and Mr. J.K.Khaitan may be considered to be interested in the above resolution.

ITEM NO.7

Sh. S.K.Agrawal was appointed as Executive Director w.e.f. 1st April, 2006 pursuant to the provisions of sections 198, 269 & 309 read with Schedule XIII of the Companies Act, 1956 for a term of 5 years.

Sh. S.K.Agrawal has been associated with the company for more than 11 years and he is Engg. Graduate by profession having rich experience in Edible Oil Industry.

The Special Resolution as set out under item No.7 of the notice is intended to obtain approval of the members for the appointment of Sh. S.K.Agrawal as Executive Director.

The explanatory statement and resolution as set out in item no.7 may be treated as an abstract of the terms and conditions of the appointment and payment of remuneration to Mr. S.K.Agrawal as required u/s 302 of the Companies Act, 1956.

The Directors recommend this resolution for your approval.

None of the Directors of the Company except Mr. S.K.Agrawal may be considered to be interested in the above resolution

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

Regd Office :

Old Dhakanshu Kalan, Chandigarh Road,
Rajpura (Punjab)

29th July, 2006

RAJESH AGGARWAL
Company Secretary



Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement**Director seeking appointment****Shri S.K.Agrawal**

Sh. S.K.Agrawal aged 59 years is a versatile professional with Engg. background having rich experience of more than 37 years out of which 20 years have been put in the Edible Oil Industry. Before joining the company he had been with Amrit Banaspati Company Limited as head of Projects for more than 8 years.

Directors seeking re-appointment**Shri Romesh Lal**

Mr. Romesh Lal, director of the company is graduate from University of Delhi (First class First), C.A.I.I.B and 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 Resources 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 Amrit Banaspati Co. Ltd., IC Textiles Ltd.

Shri Yashovardhan Saboo

Mr. Yashovardhan Saboo, Director aged about 48 years is an industrialist by profession having more than 20 year of experience in business and industry. He is Master of Business Administration from Indian Institute of Management, Ahmedabad.

He is also on the board of Kamla Dials and Devices Limited, Krypton Outsourcing Limited, Hindustan Everest Tools Limited, Vardhan Properties & Investment Ltd., Himachal Fine Blank Limited, Saboo Coating Limited, Kamla Tesio Dials Limited, Vardhan Banda Limited.

He is member of Audit Committee and Remuneration Committee with Amrit Enterprises Ltd. and member of Shareholder Grievance Committee, with Kamla Dials and Devices Ltd.



DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 21st Annual Report on the business and operations of the Company together with Audited Accounts of your Company for the financial year ended 31st March, 2006.

FINANCIAL RESULTS

	2005-2006	(Rs. In lacs) 2004-05
Sales	20765.80	24591.89
Other Income	16.95	12.45
Operating Profit (PBIDT)	371.17	450.37
Interest	90.54	89.87
Depreciation	131.05	148.70
Profit before tax (PBT)	149.58	211.80
Provision for taxation including FBT	71.91	90.59
Deferred Tax Provision	-23.79	-9.58
Profit after Tax (PAT)	101.46	130.79
Prior period taxes	0.05	1.94
Balance of Profit carried to Balance Sheet	101.51	128.85

OPERATIONS

The performance of the Company during the year under report remained under severe constraint due to various external factors resulting into fall in sales volume as well as bottom line. Import of Vanaspati at zero rate of duty from Sri Lanka in comparison to 80% import duty paid by Indian Industry affected the Indian industry, thus intensified the competition resulting in erosion of margins and volumes.

PRODUCTION AND PURCHASE OF VANASPATI & REFINED OILS

Your Company has been able to achieve almost the same level of production and sales volume as in the previous year despite stiff competition faced from the multi national companies, during the year. The production/purchase of vanaspati and refined oils aggregated to 45277 M.T. as compared to previous years' quantum of 45469 M. T.

SALES VOLUME & OPERATING MARGINS

Sales volume of Vanaspati & Refined Oil also remained almost at previous years' level at 45108 M.T. as compared to 45203 M.T. in the previous year. In value terms sales of Vanaspati & Refined oils decreased to Rs. 19247.20 Lacs from Rs.20961.24 Lacs in the previous year i.e. a fall of around 8.17% . However overall sales which include sale of raw oil and by-products stood at Rs.20765.80 Lac during the current year as compared to Rs.24591.89 Lac in the previous year.

The operating margins decreased from Rs. 450.37 lacs in the previous year to Rs. 371.17 Lac in the current year.



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. 114.42 lacs as deposit from the public and shareholders as on 31st March, 2006 (previous year – Rs. 162.43 lacs) There were 4 deposits amounting to Rs. 1.67 Lac outstanding as on 31st March, 2006 (previous year Nil). The Company has not defaulted in making payment to the small depositors. The Company continues to accept/renew deposits within the prescribed limits.

DIRECTORS

Shri Y.Saboo and Shri Romesh Lal , Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment

AUDITORS

Messrs. Dass Gupta & Associates, Chartered Accountants, Chandigarh, Statutory Auditors' retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in preparation of the annual accounts, the applicable accounting standards have 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 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, 2006 and of the profit or loss of the Company for the period ended March 31, 2006.
- (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 annual accounts on a going concern basis

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & 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 along with 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 & co-operation 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

J.K.Khaitan
Vice Chairman & Managing Director

Pavan Khaitan
Director

Place : Chandigarh
Date : 29th July, 2006