



Amrit Banaspati Co. Ltd.
AN ISO 9001:2008 COMPANY

BOARD OF DIRECTORS

N.K. Bajaj, *Chairman & Managing Director*

Romesh Lal

B.S. Bhatia

V.K. Sibal

M.L. Sarin

Mohit Satyanand

J.C. Rana

A.K. Bajaj

V.K. Bajaj

AUDIT COMMITTEE

Romesh Lal, *Chairman*

N.K. Bajaj

B.S. Bhatia

Mohit Satyanand

J.C. Rana

PRESIDENT (CORP.) & COMPANY SECRETARY

Rajesh Aggarwal

SENIOR EXECUTIVES

Pramod Kumar Sharma, *President (Works)*

A.K. Jain, *Sr. Vice President*

AUDITORS

V. Sahai Tripathi & Co.

Chartered Accountants

New Delhi

PRINCIPAL BANKERS

State Bank of India

State Bank of Patiala

REGISTERED OFFICE

Patiala - Chandigarh Road

Rajpura (Punjab) - 140 401

REGISTRAR & SHARE TRANSFER AGENTS

Mas Services Limited

T-34, 2nd Floor

Okhla Industrial Area, Phase - II

New Delhi - 110 020

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NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of **Amrit Banaspati Company Limited** will be held on Saturday, the 25th day of September, 2010 at 11.30 a.m. at Amrit Bhawan, J-3 9/13, Gobind Colony, Rajpura (Punjab)–140 401 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the equity shares for the financial year 2009-10.
3. To appoint a director in place of Mr. A.K. Bajaj, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. M.L. Sarin, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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

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

“RESOLVED THAT Mr. Mohit Satyanand, who was appointed as an additional director of the Company by the Board of Directors, w.e.f. 27th July, 2010 and who holds office up to the date of Annual General Meeting, pursuant to section 260 of the Companies Act, 1956, and Article 133 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Mr. J.C.Rana, who was appointed as an additional director of the Company by the Board of Directors, w.e.f. 27th July, 2010 and who holds office upto the date of Annual General Meeting, pursuant to section 260 of the Companies Act, 1956, and Article 133 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309 & 311 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) and in supersession to the special resolution passed at the Annual General Meeting held on 14th September, 2007 and subject to such other approvals/sanctions as may be necessary, consent and approval of the Company be and is hereby accorded to the appointment of Mr. N.K. Bajaj as Chairman & Managing Director for a fresh tenure of 5 years with effect from 17th July, 2010 on a remuneration and other terms & conditions as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT pursuant to section 198 and other applicable provisions of the Companies Act, 1956, the remuneration by way of salary, perks, and allowances as set out above be paid as minimum remuneration to Mr. N.K. Bajaj or such minimum remuneration as permissible in Schedule XIII to the Companies Act, 1956 notwithstanding that in any financial year of the Company during his tenure as

Chairman and Managing Director, the Company has made no profits or profits are inadequate.

RESOLVED FURTHER THAT the Board of Directors/Remuneration Committee be and is hereby authorized to alter or vary the terms of appointment of Mr. N.K. Bajaj, including relating to remuneration, as it may, at its absolute discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto.”

By Order of the Board
for **Amrit Banaspati Company Limited**

Regd. Office:

Patiala-Chandigarh Road
Rajpura (Punjab)-140401
Dated: 27th July, 2010

Rajesh Aggarwal
President (Corp.) &
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ATTACHED AND IF IT IS INTENDED TO BE USED, THE SAME, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
2. Explanatory statements pursuant to section 173(2) of the Companies Act, 1956 are annexed hereto.
3. Corporate members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to send certified copy of the board resolution authorizing such representative(s) to attend and vote on their behalf.
4. Relevant information pursuant to clause 49 IV(G)(i) of the Listing Agreement regarding directors seeking appointment/re-appointment, is given in the Corporate Governance Report forming part of this Annual Report.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 18th day of September, 2010 to Saturday, the 25th day of September, 2010 (both days inclusive).
6. The dividend for the year 2009-10 on the equity shares will be paid to those members whose names appear in the Register of Members of the Company as on 25th September, 2010. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as at the end of the day on 17th September, 2010 as per data to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
7. Members are requested to note that pursuant to the provisions of section 205C of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years would be transferred to the “Investor Education and Protection Fund” constituted by the Central Government. Shareholders who have not encashed their dividend warrant(s) for the year 2006-07, 2007-08 and 2008-09

are requested to make claim with the Company as no claim shall lie against the Fund or the Company in respect of individual amount once credited to the said Fund.

8. Members holding shares in physical form are requested to intimate immediately to the Registrars & Share Transfer Agents of the Company, Mas Services Ltd., T-34, IInd Floor, Okhla Industrial Area, Phase II, New Delhi – 110 020 quoting registered Folio No., change in their address, if any, with pin code number. The following information to be incorporated on the dividend warrants may also be furnished:

- (i) Name of sole/first joint holder and the folio number
- (ii) Particulars of Bank Account, viz.
 - (a) Name of the bank
 - (b) Name of the branch
 - (c) Complete address of the bank with pin code number
 - (d) Bank account number allotted by the bank and nature of the account (savings/current etc.)

9. In terms of section 109A of the Companies Act, 1956, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit nomination in form 2B.

10. Copies of relevant documents can be inspected at the registered office of the Company on all working days from Monday to Friday between 11 am to 2 pm upto the date of the meeting.

11. Members desirous of seeking any information/clarification on accounts or operations of the Company are requested to write to the Company at least 10 days before the date of

the meeting to enable the management to keep the information ready.

12. The members/proxies are requested to bring their copies of Annual Report at the meeting since extra copies will not be supplied.
13. Members/proxies should bring duly filled attendance slip sent herewith for attending the meeting. Members are also requested to mention DP ID and Client ID (in case of shares held in electronic form) and folio no. (in case of shares held in physical form) in the attendance slip for attending the Annual General Meeting in order to facilitate their identification of membership.
14. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agents, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company /Registrars and Share Transfer Agents, members are requested to quote their account/folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
16. To facilitate trading in equity shares in dematerialized form, the Company has entered into agreement with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members can open account with any of the depository participant registered with NSDL or CDSL.

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

Item no. 6

Mr. Mohit Satyanand was appointed as an additional director of the Company on 27th July, 2010 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 read with Article 133 of the Articles of Association of the Company. Mr. Mohit Satyanand holds the office of Director up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Mohit Satyanand for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr. Mohit Satyanand, aged 54 years, is M.A. in Economics from Delhi School of Economics, University of Delhi. He has over 30 years of managerial and entrepreneurial experience in Indian industry and media. Beginning his career in sales & marketing management at M/s Hindustan Lever Ltd., he then set up the country's first successful packaged snack food brand, Crax, in 1984. From 1989 onwards, he played an advisory role in the success of snack food brand, 'Uncle Chipps'. Simultaneously, he spearheaded the establishment of one of the country's first TV production house, Teamwork Films, which was a pioneer in game shows. He continues as Chairman of Teamwork Films, which now creates and manages festivals of Indian performing arts at the most prestigious venues across the world.

Besides being on the Boards of Amrit Corp. Ltd. and other companies, Mr. Mohit Satyanand is also on the Board of M/s DFM Foods Ltd., the manufacturers of Crax, and is a management advisor to Delhi Flour Mills, India's largest wheat processing firm. Mr. Mohit Satyanand helped establish Amrit Learning, which provides quality English language learning through its six centers in Delhi, and is on the Board of the Company. He is

deeply concerned with economic policy issues in the country and is Chairman of the Board of Trustees of Liberty Institute, a policy think tank. An investment analyst, he is Consulting Editor to Outlook Money, the personal finance publication of the Outlook group.

The Board of Directors feel that the experience and business knowledge of Mr. Mohit Satyanand will be of immense value to the Company in pursuing its growth plans, and therefore, recommends his appointment.

Except Mr. Mohit Satyanand, no other Director of the Company is concerned or interested in the proposed resolution.

Item no. 7

Mr. J.C.Rana was appointed as an additional director of the Company on 27th July, 2010 by the Board of Directors, pursuant to Section 260 of the Companies Act, 1956, read with Article 133 of the Articles of Association of the Company. Mr. J.C.Rana holds the office of Director up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. J.C.Rana for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr. J.C.Rana, aged about 53 years, is a corporate executive having over 26 years of experience in the fields of finance, law, HR and secretarial. He is graduate in Commerce and Law from Delhi University, post graduate in Labour Laws and Management and qualified Company Secretary & fellow member of the Institute of Company Secretaries of India. Mr. J.C.Rana has worked with Indian and multi-national companies in various capacities as Corporate Resources Head, Company Secretary & Legal Counsel and presently he is working as Executive Director of Amrit Corp. Ltd. Mr. J.C.Rana has, in the past, successfully handled revival & turnaround of businesses, raising

of projects & working capital funds from capital & money markets and corporate restructuring.

The Board of Directors feel that the experience and business knowledge of Mr. J.C.Rana will be of immense value to the Company in pursuing its growth plans, and therefore, recommends his appointment.

Except Mr. J.C.Rana, no other Director of the Company is concerned or interested in the proposed resolution.

Item no. 8

Consequent to restructuring of erstwhile Amrit Banaspati Company Ltd. (now Amrit Corp. Ltd.) and demerger of the edible oils & paper businesses pursuant thereto, Mr. N.K. Bajaj was appointed as Chairman & Managing Director of all the three companies, namely, Amrit Corp. Ltd., ABC Paper Ltd. and Amrit Banaspati Company Ltd. with the approval of the Central Government for a period of five years with effect from 1st April, 2007. Mr. N.K. Bajaj, however, had been drawing remuneration only from ABC Paper Ltd.

There has been restructuring of shareholding amongst the promoters of the Companies and, therefore, Mr. N.K.Bajaj has resigned from the office of Chairman & Managing Director and as Director of ABC Paper Ltd. w.e.f. 16.07.2010. Further, Mr. J.K.Khaitan has resigned from the office of Vice-Chairman & Managing Director and as Director of the Company w.e.f. 16.7.2010.

In view of the above changes, the Board of Directors of the Company in their meeting held on 27th July, 2010 resolved to determine the existing appointment of Mr. N.K.Bajaj as Chairman & Managing Director without remuneration and appoint him afresh as Chairman & Managing Director of the Company with remuneration for a fresh tenure of 5 years w.e.f. 17th July, 2010 on the remuneration and other terms & conditions as given here-under.

(1) Basic Salary

Rs. 2,00,000 per month in the Grade 2,00,000-25,000-4,00,000

(2) Perquisites and allowances

- (i) The Chairman and Managing Director shall also be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof subject to a ceiling of 60% 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, accident/Keyman Insurance, Leave travel concession for self and family, club membership subject to maximum of two clubs, provided that such perquisites and allowances put together will be restricted to an amount equal to his 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) Commission

Such remuneration by way of commission in addition to the salary, perquisites and allowances upto 1% of the net profits subject to a ceiling of 50% of the Annual Salary calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors at the end of each financial year and further subject to the overall ceilings as stipulated in the section 198 and 309 of the Companies Act, 1956.

(4) Mr. N.K. Bajaj will not be entitled to sitting fees for attending meetings of the Board or Committee (s) thereof.

(5) Mr. N.K. Bajaj shall not be liable to retire by rotation.

In accordance with the provisions of 198, 269 & 309 read with Schedule XIII of the Companies Act, 1956, the companies can, on their own, appoint and remunerate its managerial personnel (i.e. managing director, whole-time director, etc.) within the laid-down parameters without going to the Central Govt. for approval. According to the guidelines laid down in Schedule XIII of the Companies Act, 1956:

(a) The remuneration payable by a Company having adequate net profit shall not have any restriction on the nature or quantum of remuneration payable by the Company to its managerial personnel so long as the remuneration paid during any financial year is within **5% of its net profit** where there is only one managerial personnel and up to 10% of its net profit where the managerial personnel are more than one, of that financial year;

(b) In the case of companies having no profits or

inadequate profits, graded remuneration has been prescribed in Schedule XIII.

The net profit before tax of the Company for the financial year 2009-10 as computed under Section 349 of the Companies Act, 1956 (i.e. for the purpose of managerial remuneration) was Rs.1346.51 lacs, as per the Profit & Loss Account for 2009-10. The proposed remuneration of Chairman & Managing Director is therefore within ceiling of 5% of the net profit for the financial year 2009-10.

The special resolution set out in item no. 8 is intended to obtain approval of the members to the appointment of Mr. N.K.Bajaj as Chairman and Managing Director of the Company for a period of 5 years w.e.f. 17th July, 2010 and the Board recommends the acceptance thereof.

The appointment of Mr. N K Bajaj as Chairman and Managing Director have been approved by the Remuneration Committee of the Board of Directors.

The explanatory statement and the resolution at item No. 8 of the notice is and may be treated as an abstract of the terms and memorandum of interest pursuant to the provisions of section 302 of the Companies Act, 1956.

Mr. N.K.Bajaj is interested in the resolution. Mr. A.K.Bajaj and Mr. V.K.Bajaj, being related to him may also be deemed to be interested in the said resolution.

No other director of the Company is concerned or interested in the resolution.

By Order of the Board
for **Amrit Banaspati Company Limited**

Regd. Office:
Patiala-Chandigarh Road
Rajpura (Punjab)-140401
Dated: 27th July, 2010

Rajesh Aggarwal
President (Corp.) &
Company Secretary

DIRECTORS' REPORT



Dear Shareholders,

Your directors have pleasure in presenting the 25th Annual Report of the Company for the year ended 31st March, 2010.

Financial Results

	(Rs. in lacs)	
	2009-10	2008-09
Net Sales	80636.31	80601.71
Earnings before Interest, Depreciation and Tax (EBIDTA)	1944.20	1294.38
Less: Interest	356.45	504.77
Profit before Depreciation (PBD)	1587.75	789.61
Less: Depreciation	358.85	297.32
Profit Before Tax (PBT)	1228.90	492.29
Less: Provision for taxation		
- Current Tax (incl. wealth tax)	309.23	55.25
- Deferred Tax	121.86	131.56
- Fringe Benefit Tax	--	20.18
- Prior period taxes	(0.34)	2.93
Add: MAT credit entitlement	--	53.47
Profit After Tax (PAT)	798.15	335.84
Balance brought forward from previous year	1164.53	1231.07
Profit available for appropriation	1962.68	1566.91
Appropriations		
Proposed dividend on equity shares	147.26	110.44
Dividend on preference shares	--	4.62
Corporate tax on dividend	25.03	19.56
Transfer to general reserve	59.86	16.79
Transfer to Capital Redemption Reserve	--	250.97
Balance carried forward to Balance Sheet	1730.53	1164.53

Dividend

Your Directors are pleased to recommend dividend @ Rs. 2.00 per share (i.e. 20%) on the Equity Shares of Rs.10/- each for the year ended 31st March, 2010, as compared to Rs.1.50 per share (i.e.15%) in the previous year.

Operational and Financial Performance

During the year under review, the net sales of Rs.80,636.31 lacs is almost the same as that of the previous year though volumes grew by 12% in comparison to previous year. The reason for static sales is low pricing of raw oils for substantial part of the year and consequently lower sales realization. The operating profit (EBIDTA), however, increased by 50% to Rs 1944.20 lacs as against Rs. 1294.38 lacs in the previous year. The profit after tax recorded handsome growth of over 138% at Rs.798.15 lacs as against Rs.335.84 lacs in the previous year.

The financial year 2009-10 was full of challenges and opportunities for the Company. The global financial recession and economic downturn had significant impact on all sectors of the economy and has taken a heavy toll around. The edible oil industry was no exception. However, due to relatively income-inelastic demand for food items in general and edible oil in particular, the edible oil industry was more resilient than other sectors in responding to economic crises.

Nevertheless, the volatility in edible oil prices, partly fueled by recession and partly due to the inherent price volatility in the global vegetable oil market posed a challenge to the Company as it is heavily dependent on imports for its basic raw material i.e. Palm oil/Soya bean oil.

Your Company has taken aggressive steps to meet the challenges through major initiatives in process improvement and efficient working capital management. Judicious oil buying, better foreign exchange risk management and saving in logistics cost by using railway mode for transportation of raw imported oil from kandla port to the Company's factory enabled us to achieve higher profitability despite tough market conditions. The Company also undertook various cost effective measures such as saving in cost of production and maximum

capacity utilization as the Company relied more on in house production leading to low dependence on outsourcing besides ensuring wider spread of fixed overheads. As such, total production of vanaspati and refined oils increased by 18% while the purchases declined by 15% during the year ended 31.03.2010, as compared to the previous year.

During the year under review, the Company suspended the rice business being unviable at present. However, the Company ventured into the marketing of soya nuggets, which received good response from the consumers. The Company is in the process of increasing its retail distribution.

During the year, the Company executed projects, namely, upgradation of winterization plant, renovation of packing section and addition of oil storage capacity, to augment the capacity of table margarine and to achieve higher efficiencies in packing and oil storage sections.

Management Discussion and Analysis Report

The management discussion and analysis report for the year under review, as stipulated under clause 49 of the Listing Agreement with the stock exchanges, is presented in a separate section forming part of this Annual Report.

Fixed Deposits

Your Company had an aggregate deposit of Rs. 262.80 lacs (previous year Rs. 157.81 lacs) as on 31st March, 2010 from public and shareholders under the public deposit scheme of the Company framed under section 58A of the Companies Act, 1956. There were no overdue deposits as on 31st March, 2010, nor there was any failure in making repayment of fixed deposits and interest due thereon in terms of the conditions of public deposit scheme.

Directors

Consequent to restructuring of shareholding amongst the promoters of the Company, Mr. J.K.Khaitan resigned both as Director on the Board of Directors as well as from the office of Vice-Chairman & Managing Director of the Company w.e.f. 16th July, 2010. Mr. Pavan Khaitan, Mr. L.M.