

62nd
Annual Report
2002-2003

ABC
AMRIT
BANASPATI
COMPANY
LIMITED





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BOARD OF DIRECTORS

Naresh Kumar Bajaj, Chairman & Managing Director
T.M. Sen
Atam Parkash
G.N. Mehra
H.S. Goenka
D.G. Chaudhury (IFCI Nominee)
Praveen Kumar (BIFR Special Director)
J.K. Khaitan, Managing Director
A.K. Bajaj, Managing Director

SENIOR EXECUTIVES

S.C. Aggarwal, Executive Director
R.S. Aggarwal, President (Commodities)
A.K. Chatterjee, President (Works)
Mahesh Mittal, Vice - President (Finance)
A.K. Bagga, Vice - President (Taxation)
Shiban Kishan, Vice President (HR)

**PRESIDENT (CORP.) &
COMPANY SECRETARY**

J.C. Rana

REPORT JUNCTION
AUDITORS

M/s. V. Sahai & Company

SOLICITORS

M/s. Khaitan & Jayakar

PRINCIPAL BANKERS

Punjab National Bank
Oriental Bank of Commerce

REGISTERED OFFICE

G.T. Road,
Ghaziabad - 201 009 (U.P.)

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CONTENTS	Page No.
Notice	3
Directors' Report	10
Report on Corporate Governance	18
Auditors' Report	26
Balance Sheet	28
Profit & Loss Account	29
Schedules & Significant Accounting Policies	30
Balance Sheet Abstract	48
Cash Flow Statement	49



NOTICE

NOTICE is hereby given that the 62nd Annual General Meeting of the members of **Amrit Banaspati Company Limited** will be held at Chaudhry Bhavan (Near Jain Mandir), Kavi Nagar, Ghaziabad-201 002 (U.P.) on **Monday, the 29th September, 2003** at 11.30 a.m. for transacting the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2003 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 T.M.Sen, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED that Shri G.N.Mehra, who was appointed by the Board as Additional Director w.e.f. 21st May, 2003 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED that Shri H.S.Goenka, who was appointed by the Board as Additional Director w.e.f. 21st May, 2003 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY 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 subject to such other approvals/permissions, if and as may be required, the consent and approval of the Company be and is hereby accorded to the appointment of Shri J.K. Khaitan as Managing Director of the Company w.e.f. 29th September, 2003 on the remuneration and other terms and conditions as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER that pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration by way of salary and perquisites as set out in the annexed Explanatory Statement be paid as **minimum remuneration to Shri J.K. Khaitan** notwithstanding that in any financial year of the Company during his tenure as Managing Director, the Company has made no profits or profits are inadequate.

RESOLVED FURTHER that the Board of Directors/Remuneration Committee of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of Shri J.K. Khaitan, including relating to remuneration, as it may, at its 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"

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

“RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the listing agreements with the stock exchanges and the provisions of the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 or any amendments or modifications thereof and subject to such other approvals and procedures which may become applicable hereafter, consent be and is hereby accorded to delist the Equity and Preference Shares of the Company from The Delhi Stock Exchange Association Ltd., The Stock Exchange, Ahmedabad and The Ludhiana Stock Exchange Association Ltd., at such time as the Board of Directors (whether acting through the Board, a Committee of the Board or any Director or any person authorised by the Board) may, in their absolute discretion, consider appropriate and proper without giving an exit option to the shareholders of the regions where the aforesaid stock exchanges are situated and the Board of Directors of the Company be and are hereby authorised to do all necessary acts, deed and things in the matter.”

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

“RESOLVED that the Authorised Share Capital of the Company be and is hereby increased from Rs. 12,50,00,000/- (Rupees twelve crores fifty lacs) to Rs 25,00,00,000/- (Rupees twenty five crores) divided into 40,00,000 Redeemable Preference Shares of Rs. 10/- each; 10,00,000 – 15% Redeemable Cumulative Preference Shares of Rs 10/- each and 2,00,00,000 Equity Shares of Rs. 10/- each by creation of 35,00,000 Redeemable Preference Shares of Rs. 10/- each and 90,00,000 Equity Shares of Rs. 10/- each.

RESOLVED FURTHER that the existing Clause 5 of the Memorandum of Association of the Company relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead the following as new Clause 5 :

“5. The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees twenty five crores) divided into 40,00,000 Redeemable Preference Shares of Rs. 10/- each; 10,00,000 – 15% Redeemable Cumulative Preference Shares of Rs 10/- each and 2,00,00,000 Equity Shares of Rs. 10/- each with power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions (including provisions for redemption) as may be determined by or in accordance with law and the regulations from time to time of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company and the terms of issue.”

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

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

- (i) The existing clause (i) of Article 3 be deleted and substituted in place thereof the following new Clause (i) of Article 3 :

“3(i) The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees twenty five crores) divided into 40,00,000



Redeemable Preference Shares of Rs. 10/- each; 10,00,000 – 15% Redeemable Cumulative Preference Shares of Rs 10/- each and 2,00,00,000 Equity Shares of Rs. 10/- each with power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions (including provisions for redemption) as may be determined by or in accordance with law and the regulations from time to time of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company and the terms of issue."

(ii) For Article 83(i), the following Article shall be substituted :

"83 (i) Unless otherwise determined by the Company in General Meeting, each Director other than the managing or whole time director shall be paid remuneration by way of fee for each meeting of the Board or Committee(s) thereof attended by any such director, as may be determined by the Board and the amount of such fee shall not exceed the ceiling prescribed under Section 310 of the Companies Act, 1956 or the Rules framed thereunder."

By Order of the Board
For **AMRIT BANASPATI CO. LTD.**

J.C. RANA
Company Secretary

Regd. Office:
G.T. Road,
Ghaziabad-201 009 (U.P.)

Dated : August 19, 2003

NOTES:

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed.
2. Additional information, pursuant to clause 49 of the listing agreement with the stock exchanges on the Directors recommended by the Board of Directors for re-appointment at the Annual General Meeting, is given in the statement attached herewith.
3. 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT 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.
4. The Registers of Members and Share Transfer Books of the Company will remain closed from Monday, the 15th September, 2003 to Monday, the 29th September, 2003 (both days inclusive).
5. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to the Company Secretary by 15th September, 2003.
6. Members are requested to notify to the Company immediately any change in their address quoting ledger folio number.
7. Members are requested to bring their copies of Annual Report at the meeting, as extra copies will not be supplied.
8. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted

to attend the meeting. Shareholders are requested not to bring their families as the same creates administrative difficulties.

9. Pursuant to the requirement of the listing agreement, the Company declares that its equity and preference shares are listed on the stock exchanges at Kanpur, Mumbai, Delhi, Ahmedabad & Ludhiana. The Company has paid the annual listing fee for the year 2003-2004 to all the above stock exchanges.
10. 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.
11. The Company has entered into an agreement with M/s Central Depository Services Ltd. (CDSL) to offer depository services to the Shareholders. Shareholders can open account with any of the depository participants registered with CDSL.
12. M/s MAS Services Private Ltd. has been appointed as Registrars & Share Transfer Agents. The members are requested to deal with the said agency. The address and other particulars of the Registrars & Share Transfer Agents are as under:

M/s MAS Services Private Ltd.
 AB-4, Safdarjung Enclave,
 New Delhi – 110 029
 Contact Tel. No. : 26104142 /26104326
 Fax No. : 011-26181081
 E-Mail : masserv@giasdl01.vsnl.net.in

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

Item No. 4

Shri G.N.Mehra was appointed as an Additional Director of the Company on 21st May, 2003 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956 and Article 81 of the Articles of Association of the

Company, he holds office as Director of the Company up to the date of this Annual General Meeting.

Shri G.N.Mehra is a retired bureaucrat having wide ranging experience in administration and industrial development. Shri Mehra has had distinguished career as a member of the Indian Administrative Service. He held top positions in the Government of India as Secretary in the Ministry of Industry, Information & Broadcasting etc. He was Chief Secretary to the U.P.State Govt. besides being the Industries Commissioner in U.P. and Chairman. PICUP. He was also associated in the running and management of various public sector companies having been, at various times, a director on the Boards of Hindustan Zinc Ltd., Instrumentation Ltd., Air India, Indian Airlines, Maruti Udyog Ltd., International Airports Authority of India etc. At the time of his retirement, Shri Mehra was India's High Commissioner to Canada. Of his career with the Govt. spanning over 37 years, Shri Mehra has spent 20 years in the field of industrial development and management. Presently, he is on the Boards of Subros Ltd., U.P.Hotels Ltd., Bharat Seats Ltd. and Usha Bresco Ltd.;

The Board of Directors feels that the experience, expertise and image of Shri G.N.Mehra will be of immense value to the Company in speedy revival and, therefore, recommends his appointment.

Notice is hereby given to the Members that notice u/s 257 of the Companies Act, 1956 has been received from a member along with a deposit of Rs.500/- intending to propose the name of Shri G.N.Mehra as a regular Director of the Company at this Annual General Meeting who shall be liable to retire by rotation.

None of the Directors of the Company, except Shri G.N.Mehra, is concerned or interested in the resolution.

Item No.5

Shri H.S.Goenka was appointed as an Additional Director of the Company on 21st May, 2003 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956 and Article 81 of the Articles of Association of the Company, he holds office as Director of the



Company up to the date of this Annual General Meeting.

Shri H.S.Goenka is a businessman of repute having interests in trading, manufacturing & exports. Presently, he is successfully managing M/s Sonal Intertrend Ltd., an Indo-Swiss-Italian joint venture company having manufacturing facilities in Sahibabad, Ghaziabad (U.P.). He has over 20 years of experience in running and management of business and industry.

The Board of Directors feels that the experience, expertise and image of Shri H.S.Goenka will be of immense value to the Company in speedy revival and, therefore, recommends his appointment.

Notice is hereby given to the Members that notice u/s 257 of the Companies Act, 1956 has been received from a member along with a deposit of Rs.500/- intending to propose the name of Shri H.S.Goenka as a regular Director of the Company at this Annual General Meeting who shall be liable to retire by rotation.

None of the Directors of the Company, except Shri H.S.Goenka, is concerned or interested in the resolution.

Item No. 6

Shri J.K.Khaitan was appointed as Joint Managing Director of the Company for a period of 5 years with effect from 29th September, 1998. The aforesaid tenure of Shri J.K.Khaitan will expire on 28th September, 2003.

In view of his long association, experience, maturity and in order to continue to have the benefit of his advice and counsel, the Board of Directors in its meeting held on 30th July, 2003, has appointed Shri J.K.Khaitan with the designation of Managing Director for a fresh tenure of 5 years with effect from 29th September, 2003 on the remuneration and other

terms as given hereunder. The remuneration and perquisites payable to Shri J.K.Khaitan are within the ceilings prescribed in Schedule-XIII of the Companies Act, 1956:

(1) Salary

Salary @ 75,000/- per month in the grade of Rs.60,000-5,000-1,00,000.

(2) Commission

Not exceeding 1% of the net profits of the Company subject to a ceiling of 50% of the annual salary.

(3) Perquisites

In addition to salary & commission as stated above, Shri J.K.Khaitan will also be entitled to perquisites restricted to an amount equal to the annual salary as specified below:

Part A

(i) Housing

- (a) Fully furnished accommodation or 50% of the salary as house rent allowance, in case no accommodation is provided;
- (b) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of the Managing Director.

(ii) Medical Reimbursement

Expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary over a period of three years.

(iii) Leave Travel Concession

For self and family subject to the ceiling of one month's salary in a year or three months' salary over a period of three years.

(iv) Club Fees

Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

(v) Personal Accident Insurance

Premium not to exceed Rs.5,000/- per annum.

Part B

(i) Contributions by the Company to the Provident Fund and Superannuation Fund of an amount not exceeding in the aggregate 25% of the remuneration set out at (1) above. Such contributions will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

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

Part C

(i) Provision of Company's car with driver for use on Company's business and telephone at the residence, including mobile phone, will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

(ii) Leave with full pay and allowances in accordance with the Rules of the company.

(4) Shri J.K.Khaitan will not be entitled to sitting fee for attending meetings of the Board or Committee(s) thereof.

(5) Shri J.K.Khaitan will be liable to retire by rotation.

The terms of remuneration of Shri J.K.Khaitan has the approval of the Remuneration Committee.

The resolution set-out under Item No.6 of the Notice is intended to obtain approval of the members to the re-appointment and payment of remuneration to Shri J.K.Khaitan as the Managing Director and the Board recommends the acceptance thereof.

The explanatory statement and the resolution at Item No. 6 of the Notice is and may be treated as an abstract of the terms of appointment of Shri J.K.Khaitan as the Managing Director of the Company and memorandum of interest pursuant to the provisions of Section 302 of the Companies Act, 1956.

Except Shri J.K.Khaitan, no other Director is concerned or interested in the resolution.

Item No.7

The Equity and Preference Shares of the Company are listed on The Stock Exchange, Mumbai, The Uttar Pradesh Stock Exchange Association Ltd., Kanpur, The Delhi Stock Exchange Association Ltd., Delhi, The Stock Exchange Ahmedabad and The Ludhiana Stock Exchange Association Ltd., Ludhiana. While the trading of the Company's Equity Shares takes place in The Stock Exchange, Mumbai, the shares are seldom traded in the other four stock exchanges at Kanpur, Delhi, Ahmedabad and Ludhiana.

SEBI through its guidelines for de-listing of securities known as Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 has permitted companies to voluntarily delist its shares