

Report



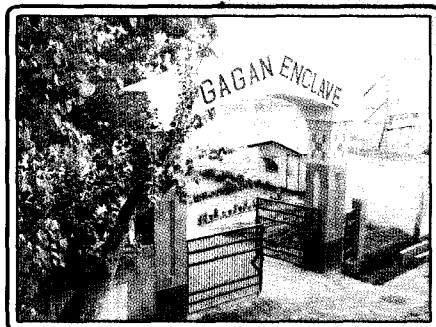
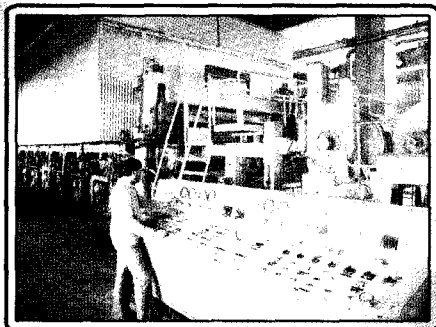
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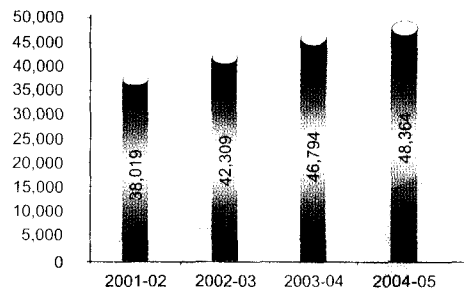
Annual Report
2004-2005



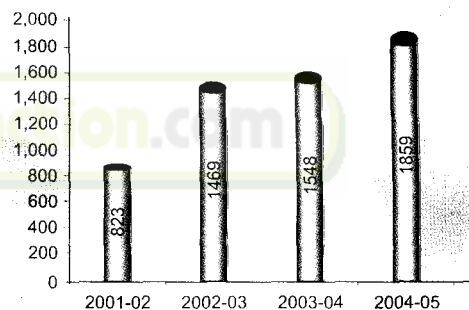
Amrit Banaspati Company Limited



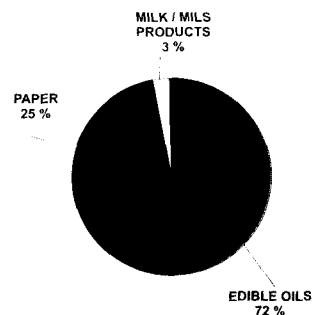
SALES TURNOVER (Rs. in lacs)



EBIDTA (Rs. in lacs)



SEGMENT WISE SALES TURNOVER 2004 - 05





BOARD OF DIRECTORS

Naresh Kumar Bajaj, Chairman & Managing Director
G.N. Mehra
H.S. Goenka
Romesh Lal
L.M. Suri
Praveen Kumar
K.R. Ramamoorthy
J.K. Khaitan, Managing Director
A.K. Bajaj, Managing Director

AUDIT COMMITTEE

G.N. Mehra, Chairman
N.K. Bajaj
H.S. Goenka
Romesh Lal

EXECUTIVE PRESIDENT (CORP.) & COMPANY SECRETARY

J.C. Rana

SENIOR EXECUTIVES

S.C. Aggarwal, Executive Director
A.K. Tyagi, Chief Executive Officer
R.S. Aggarwal, President (Commodities)
Shiban Kishan, Sr. Vice-President (HR & Commercial)
Mahesh Mittal, Vice - President (Finance)
A.K. Bagga, Vice - President (Taxation)

AUDITORS

M/s. V. Sahai & Company
New Delhi

SOLICITORS

M/s. Khaitan Jayakar Sud & Vohra
New Delhi

PRINCIPAL BANKERS

Punjab National Bank
Oriental Bank of Commerce

REGISTERED OFFICE

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



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NOTICE

NOTICE is hereby given that the 64th Annual General Meeting of the members of **Amrit Banaspati Company Limited** will be held at Chaudhary Bhawan (Near Jain Mandir), E Block, Kavi Nagar, Ghaziabad-201 002 (U.P.) on **Wednesday, the 28th September, 2005** at 11.00 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, 2005 and the Profit & Loss Account for the year ended on that date together with the reports of the Auditors & Directors thereon.
2. To declare dividend on the Equity and Preference Shares.
3. To appoint a Director in place of Shri G.N.Mehra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri H.S.Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri J.K. Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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

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

"RESOLVED that pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the resolution passed at the Annual General Meeting of the Company held on 27th December, 1995, the Board of Directors of the Company be and is hereby authorized to borrow at any time any sum or sums of money which together with the money already borrowed by the Company (apart from temporary loans obtained or to be

obtained from Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes provided, however, that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 150 crores (Rupees one hundred & fifty crores only)".

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

"RESOLVED that pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby given to the Board of Directors of the Company and the Committee(s) thereof to create such charge(s), mortgage(s) and hypothecation(s) in addition to the existing charges, mortgages and hypothecations created by the Company on such movable and immovable properties, both present and future of the Company, ranking pari passu or otherwise and in such manner as the Board or Committee(s) thereof may deem fit, together with power to take over the management of the business and concern of the Company in certain events in favour of banks, financial institutions, other lenders and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans, commercial paper, external commercial borrowings and/or the issue of debentures, convertible bonds, foreign currency convertible bonds and/or bonds with share warrants attached and other financial facilities (hereinafter collectively referred to as "Loans") together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other money payable by the Company in respect of the said Loans provided that the total amount of Loans shall not at any time exceed the limit of Rs. 150 crores.

RESOLVED FURTHER that the Board of Directors or a duly constituted Committee thereof be and



is hereby authorized to do all such acts, deeds, things and to execute all such documents, instruments and writings as may be required in connection therewith."

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

"RESOLVED that pursuant to clause 49 of the listing agreements with stock exchanges, Article 83(i) of the Articles of Association of the Company, Sections 309 & 310 and all other applicable provisions of the Companies Act, 1956, the Company hereby accords its approval to the payment of sitting fees of Rs. 7,500/- to its non executive directors for attending each meeting of the Board or a Committee thereof.

RESOLVED FURTHER that the consent of the company be and is hereby accorded to the Board of Directors to decide payment of sitting fee to the non-executive directors in future from time to time within the limits prescribed under the Companies Act, 1956 or any statutory modification or re-enactment thereof and/or under any rules or regulations framed thereunder by the Central Govt. or any other appropriate authority".

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

"RESOLVED that pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, Clause 3 of the Memorandum & Association of the Company be and is hereby altered by adding the following new sub-clause (ii) immediately after the existing sub-clause (hh):

"(ii) To carry on the business of development, construction and operation of shopping malls, multiplexes, retailing outlets, shopping centres, residential/commercial townships, group housing buildings/flats, and other construction/real estate activity individually or in combination formats comprising flats, buildings, shops, offices

and/or units for residential, commercial, retail or shopping purposes, for all products and services, multipurpose convention centres, recreation centres, amusement parks, exhibition and/or display platforms, arenas or spaces in whatsoever forms, theatres, art galleries, cafeterias, hotels, restaurants, parking spaces etc. and to arrange or give on rental, lease or on hire, have a business conducting arrangement or undertaking actual retailing activities or sell the shops, offices and/or units etc. to manufacturers, trade bodies, traders, service providers including architects, engineering consultancy firms, finance companies, banks and/or any other persons or organizations/ legal entities and render services for running such shopping malls, complexes or departmental stores as also conducting events either directly or through event management companies, providing services as event managers, holding exhibitions, seminars, competitions, conferences, movie festivals, theatre showings, music and dance recitals, cultural events and regional/ national festivals, art shows and other related events in the mall complex for its promotion and to purchase, lease, exchange or otherwise acquire land or any interest or right connected with any land with or without building."

RESOLVED FURTHER that pursuant to the provisions of Section 149(2-A) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the commencement of the proposed businesses of the Company and/or activities referred to in the new sub-clause (ii) of Clause 3 of the Memorandum of Association of the Company and authorizes the Board of Directors to undertake the same as and when it thinks fit or necessary.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."



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

“RESOLVED that pursuant to Section 372-A and all 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 as may be enacted from time to time, the consent of the Company be and is hereby accorded to invest (in addition to the amount, if any, already invested) by way of inter-corporate deposits/loans or in the securities of other bodies corporate, whether under the same management or not, as may be decided and deemed fit by the Board of Directors or give guarantee(s) notwithstanding that the aggregate of the loans and investments so far made or to be made and the guarantee(s) given or securities provided so far or to be given, exceed the limit laid down in the Companies Act, 1956, provided that the aggregate of the loans and investments made in all bodies corporate together with the guarantees given or securities provided shall not at any time exceed the limit of Rs. 50 crores (Rupees fifty crores).

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to take from time to time all decisions and steps as may be necessary or expedient or proper in respect of the loans, investments and guarantees/securities, including the timing, type, amount and other terms and conditions of such loans/investments/guarantees and varying the same through transfer, sale, divestment or otherwise either in part or in full as it may, in its absolute discretion, deem appropriate.”

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 : July 28, 2005

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 Directors recommended by the Board of Directors for appointment at the Annual General Meeting, is given in the statement annexed hereto.
3. **The resolutions at Sr. No. 10 & 11 of the Notice require consent of the shareholders through postal ballot under Section 192-A of the Companies Act, 1956 and hence will not be put to vote at the meeting. The Company has sent separate Notice dated 28th July, 2005 alongwith Postal Ballot Form to the shareholders for this purpose. The result of the postal ballot will be declared by the Chairman at the meeting.**
4. 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.
5. The Registers of Members and Share Transfer Books of the Company will remain closed from Friday, the 16th September, 2005 to Wednesday, the 28th September, 2005 (both days inclusive).
6. The dividend on the equity and preference shares for the year 2004-05 and the accumulated dividend on the preference shares for the period upto 31st March, 2004, if declared, will be paid to those members whose names appear in the Registers of Members of the Company as on 28th September, 2005. 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 15th September, 2005 as



per data to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

7. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agents of the Company, M/s MAS Services Pvt. Ltd., AB-4, Safdarjung Enclave, New Delhi-110 029 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, to enable the Company to print these details on the dividend warrants; and (b) change in their address, if any, with pin code number. The following information to be incorporated on the dividend warrants may 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.)
8. 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.
9. The Company has entered into agreements with NSDL and CDSL to offer depository services to the Shareholders. Shareholders can open account with any of the depository participants registered with NSDL and CDSL.
10. 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, 2005.
11. Members are requested to bring their copies of Annual Report at the meeting as extra copies will not be supplied.
12. Pursuant to the requirement of the listing agreement, the Company declares that its equity and preference shares are listed on the stock exchanges at Mumbai and Kanpur. The Company has paid the annual listing fee for the year 2005-06 to both the above stock exchanges.
13. 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.
14. **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.**
15. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company between 11.00 a.m. and 2.00 p.m. on any working day, except Saturdays and holidays upto the date of the meeting.



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

Item No. 7

The Company has been raising debt funds from the financial institutions, investment institutions, banks, bodies corporate and by issue of debentures etc. from time to time.

The members at the Annual General Meeting held on 27th December, 1995, had approved borrowing limit of Rs. 75 crores (Rupees seventy five crores only) under Section 293(1)(d) of the Companies Act, 1956. Since then, the volume of business has gone up and in view of the increasing requirements of funds in future, it is proposed to raise the limit of borrowing from the present Rs. 75 crores to Rs. 150 crores. This requires the approval of the members by way of Ordinary Resolution.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 8

The Company has been from time to time creating charges, mortgages and hypothecation on movable and immovable properties in favour of banks, financial institutions, investment institutions, lenders, trustees for the holders of debentures/other instruments to secure the rupee/foreign currency loans and/or issue of debentures, etc.

Section 293(1)(a) of the Companies Act, 1956 inter alia provides that the Board of Directors of a public company shall not, except with the consent of the company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking of the whole of each such undertaking. As the documents to be executed between the lending institutions/trustees for the holders of the securities, as mentioned in the resolution, and the Company may contain the powers to take over the management of the business and concern of the Company in certain events, it is necessary to pass a resolution under Section 293(1)(a) of the Companies Act for creation of charges/mortgages/hypothecation for an amount not exceeding the borrowing limit of Rs. 150 crores.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 9

The members are aware that Clause 49 of the listing agreements with the stock exchanges provides that all fees/compensation, if any, paid to the non executive directors, including independent directors, shall be fixed by the Board of Directors and shall require the prior approval of the shareholders in a general meeting. As per notification No. GSR 580 (E) dated 24th July, 2003 issued by the Central Government, the maximum sitting fees has been fixed at Rs. 20,000 for each meeting of the Board or Committees thereof for companies with a paid up share capital and free reserves of Rupees ten crores or more or turnover of Rupees fifty crores or more. However, your Company still continues to pay only Rs. 4,000/- to its directors as sitting fees.

The Board of Directors of the Company in its meeting held on 28th July, 2005 felt appropriate to increase the above sitting fee to Rs. 7,500/- for attending each meeting of the Board or a Committee thereof. The approval of the shareholders for the above increase is being sought in terms of the requirements of clause 49 of the listing agreement. The sitting fee on the above basis would be paid to the directors, other than the whole-time directors in respect of the meetings to be held after the approval of the shareholders at the ensuing Annual General Meeting. The approval of the shareholders is also being sought for payment of such sitting fee to the Directors in future as may be determined by the Board from time to time within the limits prescribed in this regard. The Board recommends the passing of the above resolution.

The non executive directors may be deemed to be concerned or interested in the passing of this resolution to the extent of the sitting fees received/receivable by them. No other director is concerned or interested in this resolution.

Item No. 10

With a view to optimize the use of its surplus land available, the Company is evaluating various value added real estate options. The Company perceives



good opportunity for diversification in the business of real estate, particularly residential/commercial townships, speciality & focused shopping malls, multiplexes & retailing outlets and thus gainfully utilizing its available real estate. Even otherwise, the real estate encompassing residential, commercial, retail, hotels/restaurants/cafeterias, multipurpose convention centres, theatres, amusement parks, etc. is a business with vast potential in India today. The Company is in the process of chalking out plans in consultation with the experts in the industry to diversify in the real estate activity and other allied activities enumerated in the resolution, which can be conveniently or advantageously combined with the existing business of the Company.

Since the Objects Clause of Memorandum of Association of the Company must empower the Company to undertake any such business, it is proposed to change the Objects Clause by adding a new sub-clause therein as set out in the resolution.

Section 149 (2-A) of the Companies Act, 1956 provides that a company shall not at any time commence any business unless the company has approved of the commencement of any such business by a special resolution passed in that behalf in a general meeting and a declaration of compliance duly verified has been filed with the Registrar of Companies.

Your Directors, therefore, recommend passing of the special resolution.

None of the Directors of the Company is concerned or interested in the resolution.

Item No. 11

Under Section 372-A of the Companies Act, 1956, the Board of Directors of a company cannot, except with the consent of the shareholders by special resolution, make any loan to any body corporate or give guarantee or provide security in connection

with a loan or make investment by way of subscription, purchase or otherwise in the securities of any other body corporate in excess of sixty percent of its paid up capital and free reserves or one hundred percent of its free reserves, whichever is more.

The Company has made investments in companies, including the joint venture company, namely, Messrs. Greencone Environs Private Limited and also given guarantee to the State Bank of India for loans to Greencone in the current year. The Company is also exploring various options for diversifying its activities as also to deploy the surplus funds. For this purpose, the Company may be required to invest in the securities of companies, joint venture or otherwise. The existing loans/investments together with the proposed loans/investments/guarantees may exceed the limit prescribed in Section 372A of the Companies Act. To enable the Board of Directors of the Company to make such loans/investments or give guarantees as and when required upto a limit of Rs. 50 crores (Rupees fifty crores only), members are required to give their consent by passing a special resolution.

The Board of Directors accordingly commend the special resolution for approval by the Members.

None of the Directors of the Company is concerned or interested in this resolution.

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 : July 28, 2005

