



Amrit Banaspati Co. Ltd.



23rd Annual Report

2007-08

Message from the Chairman



Amrit Banaspati Co. Ltd.



Dear Shareholder,

As you would remember, last year, your company had undergone restructuring programme wherein the diverse business were reorganized into independent companies for better focus of work and governance to help create better shareholders value. I am pleased to see that this decision has started showing good results and the company is progressing in the right direction.

During the last year, the total sales of the company has increased by more than 12% and the refined oil sales have grown by 13%. The company holds the distinction of having the largest variety of refined oils in the industry. With the focused work, the retailer coverage has also increased by 17%. The company has already taken good initiatives in Ginni Lite and Ice cream Shortening which will eventually yield excellent results for the benefit of the shareholders.

The company has also planned strategic capital investment for better financial results. Here onwards I am confident that the company will show handsome growth both in the top-line and the bottom-line and will further establish its reputation as one of the leading manufacturers of a wide range of edible oils.

Thanking you and with Regards

Yours Sincerely

N.K. Bajaj



Company Information

Board of Directors	N.K. Bajaj, Chairman & Managing Director
	J.K. Khaitan, Vice Chairman & Managing Director
	S.C. Agarwal, Senior Executive Director
	Romesh Lal
	H.S. Goenka
	B.S. Bhatia
	L.M. Suri
	V.K. Sibal
	M.L. Sarin
	A.K. Bajaj
	V.K. Bajaj
	Pavan Khaitan

Audit Committee	Romesh Lal, Chairman
	H.S. Goenka
	L.M. Suri
	B.S. Bhatia
	J.K. Khaitan
	S.C. Agarwal

Vice President (Corp.) & Company Secretary	Rajesh Aggarwal
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Senior Executives	S.K. Agrawal, Executive Director.
	R.S. Aggarwal, President (Commodities)

Auditors	V. Sahai & Co.
	Chartered Accountants
	New Delhi

Bankers	State Bank of India
	State Bank of Patiala
	Punjab National Bank

Registered Office	Patiala - Chandigarh Road
	Rajpura (Punjab) - 140 401



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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Amrit Banaspati Company Limited will be held on Saturday, the 13th day of September, 2008 at 11.30 a.m. at Amrit Bhawan, Gobind Colony, Rajpura (Punjab)-140401 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity shares for the financial year 2007-08 and confirm payment of interim dividend on Preference shares.
3. To appoint a Director in place of Mr. S.C. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Romesh Lal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. B.S. Bhatia, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. A.K. Bajaj, who retires by rotation and being eligible, offers himself for re-appointment.
7. 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.

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

Regd. Office:
Patiala Chandigarh Road
Rajpura (Punjab)-140401
Dated: 26.07.2008

Rajesh Aggarwal
Vice President (Corp.) &
Company Secretary

NOTES :

1. 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/HERSELF. 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 COMMENCEMENT OF THE MEETING.
2. Relevant information pursuant to clause 49 (IV)(G)(i) of the Listing Agreement regarding directors retiring by rotation and being eligible, seeking re-appointment, is given in the Corporate Governance Report forming part of this Annual Report.
3. The Registers of Members and Share Transfer Books of the Company will remain closed from Saturday, 6th September, 2008 to Saturday, 13th September 2008 (both days inclusive). If the final dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made to those members, whose names, in case of shares held in electronic form, appear as beneficial owners, as at the close of Business hours on Friday, 5th September, 2008 and for shares held in physical form to all the members whose name appear in the register of members of the Company as on 13th September, 2008.
4. 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 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.
5. Members holding shares in physical form are requested to intimate immediately to the Registrars & Share Transfer Agents of the Company, M/s MAS Services 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.)
 6. 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 of Companies (Central Government's) General Rules and Forms, 1956.
 7. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
 8. Members/ Proxies are requested to bring their copy of Annual Report at the meeting since extra copies will not be supplied.
 9. Pursuant to the requirement of the Listing Agreement, 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 2008-2009 to both the Stock Exchanges mentioned above.
 10. Members/Proxies should bring duly filled attendance slip sent herewith for attending the meeting.
 11. 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 and electronic holdings respectively.
 12. To facilitate trading in equity shares in dematerialized form, the Company has entered into Agreement with M/s National Securities Depository Limited (NSDL) and M/s Central Depository Services (India) Limited (CDSL). Members can open account with any of the depository participants registered with NSDL and CDSL.

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

Regd. Office:
Patiala Chandigarh Road
Rajpura (Punjab)-140401
Dated: 26.07.2008

Rajesh Aggarwal
Vice President (Corp.) &
Company Secretary



DIRECTORS' REPORT

To the members,

Your directors are pleased to present the 23rd Annual Report together the Audited Accounts of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	2007-08	2006-07
Sales and other income(net of excise duty)	77156.35	62003.13
EBIDTA	984.98	763.59
Interest	457.46	331.42
Profit before depreciation	527.52	432.17
Depreciation	291.85	287.88
Profit before Extra-ordinary item	235.67	144.29
Extra-ordinary item	---	444.67
Profit before Tax (PBT)	235.67	588.96
Provision for taxation		
- Current Tax	73.25	29.64
- Deferred Tax	2.95	292.06
- Fringe Benefit Tax	14.50	14.36
- Prior period taxes	6.03	--
Profit after tax	138.94	252.91
Balance brought forward from previous year	1198.82	1079.55
Profit available for appropriation	1337.76	1332.46
Appropriations :		
Proposed Dividend on equity shares	73.63	85.84
Dividend on preference shares	17.57	17.57
Corporate tax on dividend	15.50	17.57
Transfer to general reserve	-	12.65
Balance carried forward to Balance Sheet	1231.07	1198.82



DIVIDEND

To conserve the resources for the expansion plans of the Company, your directors have recommended a dividend of 10% on the equity shares of Rs.10/- each for the year ended 31st March, 2008.

Pursuant to para 13.2 of the Scheme of Arrangement between the Company, Amrit Corp. Ltd. and ABC Paper Ltd. u/s 391-394 of the Companies Act, 1956, the Company had on 05.07.2008, redeemed its 25,09,700 – 7% redeemable preference shares of Rs. 10/- each fully paid up alongwith interim dividend @7% p.a. for the period from 01.04.2007 to 05.07.2008 (i.e. upto the date of redemption).

SCHEME OF ARRANGEMENT

The Scheme of Arrangement between the Company, Amrit Corp. Ltd. and ABC Paper Ltd. came into force w.e.f. 23rd June, 2007, being the date on which the orders of the Hon'ble High Courts were filed with the concerned Registrar of Companies. Necessary share allotments have been made as provided in the Scheme and transfer of assets and liabilities have been given effect to in the books of account of the respective companies.

Pursuant to para 26.3 of the Scheme of Arrangement, the name of your Company was changed to **Amrit Banaspati Company Limited** from Amrit Enterprises Limited.

A common Corporate Logo for all the three group companies namely, Amrit Banaspati Company Limited, Amrit Corp. Limited and ABC Paper Limited has been adopted which symbolizes "Amrit Building Confidence".

OPERATIONS

Production and Purchase of Vanaspati & Refined Oils.

The Company has been able to achieve an

increase of 12.52% in production/purchase despite stiff competition faced from multi national companies. The production/purchase of vanaspati & refined oils aggregated to 128600 MT as compared to previous year quantum of 114288 MT.

Sales Volume & Profitability

The Company has recorded sale of vanaspati and refined oils of 127930 M.T. as compared to 115192 M.T. in the previous year. In value terms, sale of vanaspati and refined oils aggregated to Rs. 72504 lacs as compared to Rs. 56928 lacs in previous year, thus recording growth of 27.36%.

During the last quarter of the year ended on 31.03.2008, the Govt. reduced import duty on crude palm oil to nil from 45% and on refined palm oil to 7.5% from 52.5%, thereby adversely affecting the profitability of the Company.

Notwithstanding this, the 'Profit Before Depreciation and Tax' stood at Rs. 527.52 lacs as compared to Rs. 432.17 lacs in the previous year, recording an increase of 22.06%.

SIGNIFICANT CORPORATE DEVELOPMENTS

Projects

During the year 2007-08, the Company had started setting up of Power Co-Generation Plant involving project cost of Rs. 912 lacs, which is expected to be completed and commissioned in September – October 2008. After commissioning, it will fetch an earning of approx. Rs. 200 lacs per annum. The above Project has been necessitated to reduce the total power cost for which a full backpressure Turbine of 1.355 MW with 22 TPH Boiler based on bio-mass fuels is proposed to be installed as a captive co-generation power plant by the Company.

This project may also be eligible for CDM (Clean Development Mechanism) and capital subsidy benefits.



New Products And Initiatives

1. During the year 2007-08, your Company has launched a new product, namely, 'Ginni Lite', which is a blend of sunflower and rice bran oil. It has 'Oryzanol, balanced MUFA and PUFA composition' and its 'fatty acid' compositions are closest to the WHO recommendations.
2. Your Company has also brought improvement in the quality of advertisement materials content and advertisement campaign was intensified through paper advertisement in reputed magazines like Reader's Digest, India today, Women Era and postal media in addition to hoardings, bus panels, wall paintings and sign boards.
3. Keeping in trend with the modern trade, the Company has paid increased emphasis on business association with upcoming retail chains.

FIXED DEPOSITS

All provisions of section 58A and 58AA of the Companies Act, 1956 have been complied with while accepting deposits from public/shareholders. The Company had an aggregate amount of Rs. 122.27 lacs as deposits from the public and shareholders as on 31st March, 2008 (previous year – Rs. 151.35 lacs). There were no overdue deposits as on 31st March, 2008. The Company has not defaulted in making payment to the small depositors. The Company continues to accept/renew deposits within the prescribed limits.

DIRECTORS

Mr. Romesh Lal, Mr. S.C. Agarwal, Dr. B.S. Bhatia and Mr. A.K. Bajaj, directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

AUDITORS

M/s V. Sahai & Co., Chartered Accountants, Statutory Auditors retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee and Board of Directors recommend the appointment of M/s. V. Sahai & Co., Chartered Accountants, as Statutory Auditors for the year 2008-09.

M/s V. Sahai & Co. have confirmed that their appointment as Statutory Auditors for the year 2008-09, if made, will be within the limits prescribed under Section 224(1)(B) of the Companies Act, 1956.

COST AUDIT

Pursuant to the Scheme of Arrangement between the Company, Amrit Corp. Ltd. and ABC Paper Ltd. u/s 391-394 of the Companies Act, 1956, duly sanctioned by the Hon'ble High Courts of Punjab & Haryana, Allahabad and Delhi, and becoming effective from 23.06.2007, the edible oil undertaking of Amrit Corp. Ltd. was transferred to the Company.

Consequently, the Central Govt. vide its letter dated 10th October, 2007 had transferred to the Company, the Cost Audit Order no. 52/238/CAB-88, [originally issued on 17.03.1993 to Amrit Corp. Ltd. (earlier Amrit Banaspati Company Limited) in respect of its product "Vanaspati"].

As per the said order, the audit of cost accounts of the Company be conducted every year by a cost auditor. The cost audit for the year 2007-08 has been completed and report will be submitted to the Central Government, within the statutory time limit.

LISTING OF SHARES

The equity shares of the Company are listed on the stock exchanges at Mumbai and Delhi and the Company has paid the annual listing fees to the stock exchanges for the financial year 2008-09.



AWARDS AND RECOGNITIONS

During the year, GLOBOIL INDIA, Mumbai has awarded Mr. J.K. Khaitan, Vice Chairman & Managing Director of your Company with GLOBOIL INDIA LEGEND, 2007 award for his contributions to the edible oil industry.

