



AMCO INDIA LIMITED

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18TH ANNUAL REPORT 2005



AMCO INDIA LIMITED

BOARD OF DIRECTORS

S. K. GUPTA	Chairman cum Managing Director
RAJEEV GUPTA	Whole Time Director
S. R. PAHWA	Whole Time Director
S. C. GOYAL	Whole Time Director
ANIL BHARGAVA	Whole Time Director
D.K. GUPTA	Director
SUBHASH BANSAL	Director
DHARAMPAL BANSAL	Director

COMPANY SECRETARY

V. K. GUPTA

BANKERS

Syndicate Bank
INA Colony, NEW DELHI

AUDITORS

D. C. Jain and Associates
Chartered Accountants
A-14/3, Jamna Bhawan, IIInd Floor,
Asaf Ali Road, New Delhi - 110002

REGISTERED OFFICE

10685/2, Nabi Kareem
Jhandewalan Road
NEW DELHI - 110055
Ph. : 23638652, 23636820

WORKS

Unit - I

C-53-54, Sector - 57
NOIDA - 201 301 (U.P.)

Unit - II

7th Milestone
Bhiwadi-Alwar Highway
Bhiwadi, Distt. Alwar
RAJASTHAN

SHARE TRANSFER AGENT

Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor, 99, Madan Gir,
Behind Local Shopping Centre,
Dada Harsukhdas Mandir, New Delhi - 110 062
PH. : 011-29961281-82 Fax : 011-29961284



AMCO INDIA LIMITED

Regd. Office : 10685/2, Nabi Kareem, Jhandewalan Road, New Delhi - 110055

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of the Company M/s. AMCO INDIA LTD. will be held on Tuesday the 20th day of September, 2005 at Chandiwala Auditorium, IIIrd Floor, Chandiwala Residential Block, Chandiwala Estate, Maa Anandmai Marg, Kalkaji, New Delhi-19 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit and Loss Account for the year ended as on that date and Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Subhash Bansal who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

"RESOLVED THAT pursuant to provisions of Section 224A of the Companies Act, 1956 and any other provision if any, applicable to the Company, M/s D. C. Jain and Associates, Chartered Accountants be and is hereby re-appointed as Auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolutions as Special resolution.

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and Schedule-XIII any other provisions if any of the Companies Act, 1956, applicable to the Company (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the re-appointment of Mr. S. K. Gupta as Managing Director of the Company for a period of five years with effect from September 1, 2005 on terms & conditions including remuneration as set out in the agreement to be entered into between the company and Mr. S. K. Gupta, a draft of which is placed before this meeting. The said agreement if hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as " the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendment and/or modification that may hereafter be made thereof by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed between the Board and Mr. S. K. Gupta."

RESOLVED FURTHER that where in any financial year after March 31, 2005, the Company has no profits or its profits are inadequate, the Company do pay to Mr. S. K. Gupta, remuneration by way of Salary, perquisites and allowances not exceeding the ceiling specified under Section II of Part-II of Schedule XIII of the Companies Act, 1956."

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board of Directors
For Amco India Limited**

**Place : New Delhi
Date : 30th July, 2005**

**Sd/-
(SURENDER KUMAR GUPTA)
Chairman cum-Managing Director**



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NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself at the meeting and such proxy need not to be a member of the Company.
2. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company during office hours on all working days, except Sundays and holidays between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 13, 2005 to September 20, 2005 (both days inclusive).
5. Members who are holding shares in identical order of names in more than one folios or joint accounts in same order are required to intimate the company at its registered office the folios of such accounts to enable the Company to consolidate their holding in one folio.
6. Members are requested to notify immediately any change in their address, quoting folio No. at its Registrar & Transfer Agent office.
7. Members are requested to :
 - a) bring their copy of Annual accounts at the meeting as no extra copies would be distributed at the meeting; and
 - b) send their queries, if any, to reach the Company's registered office at New Delhi at least 10 days before the date of the meeting so that information can be made available at the meeting.
 - c) Additional information as required under clause-49 of Listing Agreement about Directors being reappointment are given as under :
 Sh. Subhash Bansal is a graduate from Delhi University, Delhi and since 1985 he has been into the Chemical Industry and gained wide experience in marketing. Sh. Subhash Bansal is one of the Independent Director.

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

ITEM No. 4

Mr. S. K. Gupta is a graduate from Delhi University, Delhi and since 1987 he has been into the PVC Films/Sheetings, Aluminium Foil Industry and Mr. S. K. Gupta is having very wide experience in setting up and running PVC Films/Sheetings, Aluminium Foils Industry. The present terms of office of Mr. S. K. Gupta expires on August 31st, 2005. Keeping in view his expertise in the above field, the Board of Directors at its meeting held 30th July, 2005 approved his re-appointment as Managing Director of the Company for period of five years with effect from September 1, 2005 subject to the approval of members in Annual General Meeting, Mr. S. K. Gupta fulfills the eligibility criteria set out under Part-I of schedule XIII of Company Act, 1956.

The remuneration payable to Mr. S. K. Gupta has been determined by Board of Directors.

The Agreement proposed to be entered into by the Company with Mr. S. K. Gupta in respect of his appointment, interalia, contains the following terms and conditions.

- | | |
|----------------------------|---------------------------|
| a) Salary | : Rs. 100000-10000-150000 |
| b) Perquisites & Allowance | : 50% of Salary |

He shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowances together with reimbursement of expenses/or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and his family including dependents, club fees, medical insurance and such other perquisites and/or allowance, upto the amounts specified above, subject to overall ceiling of remuneration stipulated in section 198 and 309 of the Companies Act, 1956. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax, 1961 or any rules made thereunder (including any statutory modification (s) or re-enactment thereof, for

**AMCO INDIA LIMITED****Regd. Office : 10685/2, Nabi Kareem, Jhandewalan Road, New Delhi - 110055**

the time being in force). However, Company's contribution to Provident Funds, Supernation fund or Annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

In addition to the salary, perquisites and allowances as above, the Managing Director shall also be entitled to receive commission 0.60% of the turnover of the Company, on the turnover above Rs. 50 Crores.

The terms and conditions set out for re-appointment and payment of remuneration herein and/or in the Agreement may be altered or varied from time to time by the Board of Directors of Company as it may, at its discretion deem fit so as not to exceed the limits specified in Schedule-XIII of Companies Act, 1956 (including any statutory modification (s) or re-enactment thereof, for the time being in force) or any amendment made thereto.

The Agreement may be terminated by either party (Company or the Managing Director) by giving to the other three months prior notice for termination in writing.

The draft Agreement to be entered into between the Company and Mr. S. K. Gupta is available for inspection at the Registered Office of the Company on any working day excluding Sunday and Holidays, upto the date of ensuing Annual General Meeting between 11.00 a.m. to 1.00 p.m.

Your Directors recommend the resolution for your approval.

The above may also be treated as an abstract of the draft Agreement proposed to be entered between the Company and Mr. S. K. Gupta pursuant to section 302 of the Companies Act, 1956.

Mr. S. K. Gupta is deemed to be concerned or interested in the resolution as it pertains to his reappointment and/or remuneration payable to him. Further, Sh. Rajeev Gupta may also be deemed to be interested in the resolution pertaining to the re-appointment of and/or remuneration payable to Mr. S. K. Gupta as they are related to each other and except the above, none of the directors of the Company are in any way concerned or interested in the said resolution.



AMCO INDIA LIMITED

DIRECTORS' REPORT

To the Members,

Your directors are pleased to present the 18th Annual Report of the Company together with the Audited Accounts for the year ended as on 31st March, 2005.

FINANCIAL RESULTS & PERFORMANCE OF THE COMPANY :

	(Rupees in lacs)	
	2004-05	2003-04
Sales	8367.06	7702.31
Other Income	33.74	13.89
Total Income	8400.80	7716.20
Total Expenditure	7945.78	7233.57
Interest	147.22	139.20
Gross Profit after interest but		
Before depreciation and taxation	307.80	343.43
Depreciation	104.54	102.32
Net Profit Before Taxation	203.26	241.11
Provision for Taxation	45.30	47.82
Provision for Deferred Tax	7.03	8.64
Net Profit for the year	150.93	184.65
Balance brought from last year	1049.85	865.19
Net Profit available for Appropriation	1200.78	1049.85

RESULTS OF OPERATIONS :

Your directors are pleased to inform that growth of your Company continues in the year. The turnover of your company has improved from Rs. 7702.31 Lacs in the year 2003-04 to Rs. 8367.06 Lacs in 2004-05 a growth of 8.63% over the previous year but the profit (PBT) of your company has declined from Rs. 241.11 Lacs to Rs. 203.26 Lacs. The profit is declined basically due to increase in cost of raw materials.

EXPENSION :

Your Directors inform you that your company is setting up New Units of Flexible Laminated Foil Plant at Baddi (H.P.) and third Rolling Mills at Bhiwadi (Rajasthan) to increase production capacity. The same will be operational during the current financial year.

DIVIDEND :

In view of expansion of the Company your directors do not recommend any dividend for year under review.

DIRECTORS :

In compliance with the provisions of the Companies Act, 1956 and Articles of Associations of the Company Shri Subhash Bansal, Director of the Company retire by rotation at the ensuing Annual General Meeting being eligible offer himself for re-appointment. Board recommend his appointment as Director of the Company. The tenure of Sh. S. K. Gupta, Managing Director of the Company become expires on 31st August, 2005. The Board of Directors in the meeting held on 30th July, 2005 has considered his re-appointment as Managing Director of the Company on a salary as mentioned in the Draft Agreement. The Board is feeling that due to his expertise and long experience in the industry and association with Company, he may be re-appointed as Managing Director of the Company. The Board recommend his candidature as Managing Director of the Company.

AUDITORS REPORT :

The notes on accounts referred to in the Auditors Report are self explanatory & therefore do not require any further comments under section 217(3) of the Companies Act, 1956.

AUDITORS :

The auditors, M/s D.C. Jain And Associates, Chartered Accountants retire at the conclusion of this Annual General Meeting & being eligible, offer themselves for re-appointment. They have furnished a certificate that their re-appointment, if made, will be in accordance with the provisions of sub-section (1B) of Section 224 of the Companies Act, 1956. Members are requested to appoint the Auditors and authorise the Board to fix their remuneration.

PUBLIC DEPOSITS :

The Company had not accepted any Deposits from the Public and therefore not required to furnish information in respect of Acceptance of Deposit Rules, 1975.

PARTICULARS OF EMPLOYEES :

The Informations as required u/s 217(2A) of the Companies Act 1956 read with the Companies (Particulars of employees) Rules 1975, as amended, the names and other particulars of employees are not applicable.

Disclosure under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Directors Report Rules, 1988) relating to foregoing matters is given by way of Annexure to this report. The information in respect of Research & Development as well as Technology absorption, adoption and innovation required to be disclosed in Form "B" are not applicable.

RESPONSIBILITY STATEMENT :

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that :

- In the preparation of annual accounts under review the applicable accounting standards have been followed.
- Appropriate accounting policies were selected & applied consistently and reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or (loss) of the Company for the year.
- Proper and sufficient care was taken for the maintenance of adequate accounting standard in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities.
- The annual accounts are prepared on a going concern basis.

LISTING FEES :

The Equity shares of the company continue to be listed at the Stock Exchange Delhi (Regional), Calcutta and the Stock Exchange Mumbai and on the date of signing of this report, the listing fees for the year 2005-06 was yet to be paid.

ACKNOWLEDGMENTS :

Your Directors place on record their appreciation for the co-operation and assistance extended by the various Government Authorities, Company's Bankers etc. The Directors convey their sincere thanks for the continued support given to the company by the esteemed shareholders and all our valued customers. The Directors also acknowledge the dedication and hard work put in by the employees at all levels.

For and on behalf of the board of Directors
sd/-

New Delhi
30th July, 2005

(SURENDER KUMAR GUPTA)
Chairman-cum-Managing Director



AMCO INDIA LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956, read with the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1 CONSERVATION OF ENERGY

The total energy consumption and energy consumption per unit of production

A. POWER & FUEL CONSUMPTION	<u>2004-05</u>	<u>2003-04</u>
1. Electricity		
(a) Purchased		
(i) Unit (KG)	5842875	5859060
(ii) Total Amount Rs. in Lacs	259.28	264.40
(iii) Rate/Unit Rs.	4.44	4.51
(b) Own Generation		
Through Diesel Generator		
(i) Unit (KW)	537390	596560.80
(ii) Cost/Unit Rs.	7.73	5.83
2. L.D.O.		
(i) Quantity K. Ltr.	634.53	568.53
(ii) Total cost Rs. in Lacs	138.10	98.75
(iii) Average Rate Rs./Ltr.	21.77	16.12
3. Other/Internal Generation	N.A.	N.A.
B. CONSUMPTION OF ELECTRICITY PER UNIT OF PRODUCTION		
(1) Electricity (KW/M. T.)		
PVC Film / Sheetting / Aluminium Foil	0.80	0.86
(2) L. D. O.		
PVC Film / Sheetting / Aluminium Foil	0.09	0.08

II. TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT

No Research and Development work has been carried out by the Company and therefore there is no expenditure on this head, nor any other benefit derived from it.

B. TECHNOLOGY ABSORPTION

The Company has neither entered into any technical collaboration with any foreign country nor imported any technology from any foreign country, organisation.

III. FOREIGN EXCHANGE EARNING AND OUT GO

	<u>2004-05</u>	<u>2003-04</u>
Foreign Exchange earning (Rs. in Lacs)	362.91	156.58
Foreign Exchange outgo (Rs. in Lacs)	817.60	155.85



AMCO INDIA LIMITED

Annexure to Directors' Report

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To,
The Members of
M/s Amco India Limited,

1. We have reviewed the implementation of Corporate Governance procedures by Amco India Limited. During the year ended as on 31st March, 2005 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchange has been complied with in all material respect by the Company to the extent possible.

For D. C. JAIN AND ASSOCIATES
Chartered Accountants

Place : New Delhi
Date : 30th June, 2005

sd/
(D. C. JAIN)
Proprietor

CORPORATE GOVERNANCE REPORT

Corporate Governance refers to the Professional System by which organization are directed and controlled. It is aimed at compliance of local statutes, which adds a value system.

Corporate Governance also refer to process which should safeguard and add value in the long-term for the Interest of its various partners such as shareholders, creditors, customers and its employees.

The culmination of good corporate Governance policy is :-

- ⇒ Transparency and professionalism in all activities of the Company.
- ⇒ Implementation of procedures and policies prescribed by the Company to ensure high ethical standard in all its business activities.
- ⇒ Responsive management which meets to the needs of its partners.

A BEGINNING AT AMCO INDIA LTD.

The Company has initiated the process of Corporate Governance in compliance with clause 49 of the listing agreement with stock exchange. This being the third year to incorporate corporate Governance. A sincere attempt has been made to commence implementation of corporate Governance code and in this regard, submit a report on the matters mentioned in the said clauses and practices followed by the Company.



AMCO INDIA LIMITED

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1. BOARD OF DIRECTORS

The Board of Director of the Company consists of Executive Directors and Non-Executive Directors. Non-Executive Directors constitute 38% of the Board. The Non-Executive Directors are accomplished professional in their respective corporate fields.

The Company is not paying any remuneration to the Non-Executive Directors. The Company is still seeking independent Directors who would be able to make a fruitful contribution to the Company's affairs.

The Board met 4 times during the year under review on the following Dates :

30th June 2004, July 31st 2004, October 30th 2004, January 27th 2005.

The following table given details of designation, category of Director and number of Board Meeting attend, last AGM attend and number of Directorship held in other companies.

Name of Directors	Category of Directors	Number of Board Meeting attended	Attendance at last AGM held on 13.08.04	Nos. of other Directorship held
Mr. Surender Kumar Gupta	Executive Director	2	Yes	-----
Mr. Rajeev Gupta	Executive Director	4	Yes	1
Mr. S. R. Pahwa	Executive Director	4	Yes	1
Mr. Anil Bhargava	Executive Director	3	Yes	-----
Mr. S. C. Goyal	Executive Director	4	Yes	1
Mr. D. K. Gupta	Non-Executive Director	1	Yes	1
Mr. Subash Bansal	Non-Executive Director	1	Yes	1
Mr. Dharam Pal Bansal	Non-Executive Director	1	Yes	1

2. AUDIT COMMITTEE

The Audit Committee consists of three Directors Mr. D. K. Gupta Non-Executive Director, Mr. Subhash Bansal Non-Executive Director and Mr. S. C. Goyal Executive Director having Finance and Accounting knowledge. Mr. S. C. Goyal who has been a Director of the company for entire year under review has been appointed as chairman of the committee for the smooth functioning of the committee and to address shareholder queries of any kind at the ensuing Annual General Meeting Mr. V. K. Gupta Company secretary shall officiate as the secretary to the committee. The constitution of the committee meets the requirement under section 292A of the companies Act, 1956 as inserted by the companies (Amendment) Act, 2000.

The Audit committee met four times during the year under review on the following dates :-

30th June, 2004, 31st July, 2004, 30th October, 2004, 27th January, 2005

The Audit committee specifically reviews :

- Quarterly, Half Yearly and Yearly financial statements.
- Audit Report
- Recommendation for appointment of Statutory Auditors :

Members	No. of Meeting attended
Sh. S. C. Goyal	4
Sh. V. K. Gupta	4
Sh. D. K. Gupta	2
Sh. Subhash Bansal	2



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3. SHAREHOLDERS COMMITTEE :-

In compliance with the requirement of corporate Governance under the listing agreement with the Stock Exchange, the Company has constituted a ShareTransfer and Shareholder/Investor Grievance Committee to look into issue relating to shareholders, including Share Transfers.

The Composition of the committee is as under :-

Mr. S. C. Goyal (Executive Director)	Chairman	Mr. S. R. Pahwa (Executive Director)	Member
Mr. Dharam Pal Bansal (Non-Executive Director)	Member		

Mr. V. K. Gupta Secretary is the Compliance Office of the Company.

4. REMUNERATION COMMITTEE :-

Remuneration committee members are :

Mr. S. K. Gupta	Chairman
Mr. Rajeev Gupta	Executive Director
Mr. D. K. Gupta	Non Executive

REMUNERATION TO DIRECTORS :

Remuneration paid/payable to Directors for the year ending March 31, 2005.

Directors	Salaries	Commission	Perquisites	Total
Mr. Surender Kumar Gupta	815000.00	465000.00	182094.00	1462094.00
Mr. Rajeev Gupta	520000.00	435000.00	-----	955000.00
Mr. S. R. Pahwa	540000.00	-----	15000.00	555000.00
Mr. Anil Bhargava	520000.00	-----	14324.00	534324.00
Mr. S. C. Goyal	490121.00	-----	23996.00	514117.00
Total	2885121.00	900000.00	235414.00	4020535.00

5. GENERAL BODY MEETING

The last three General Body Meeting of the Company were held as under :-

FINANCIAL YEAR	DATE	TIME	LOCATION
2001-2002	26-08-2002	3.30 P.M.	Kapoor Banquet, Mayur Vihar, Phase-I Pocket - III, Delhi - 110091
2002-2003	25-08-2003	11.00 A.M.	Chandiwalla Auditroium, 3rd Floor, Chadiwala Residential Block, Chandiwalla Estate, Maa Anand Mai Marg, Kalkaji, New Delhi-110019
2003-2004	13-09-2004	11.00 A.M.	Chandiwalla Auditroium, 3rd Floor, Chadiwala Residential Block, Chandiwalla Estate, Maa Anand Mai Marg, Kalkaji, New Delhi-110019

6. DISCLOSURE

- ⇒ There are no material transaction with its promoters, the Directors or the Management their subsidiaries or relative etc. which required separate disclosure.
- ⇒ The Company has not made any non-compliance and has not been imposed any penalty by the Stock Exchange or SEBI or any other statutory Authority.

7. MEANS OF COMMUNICATION

The Company has been disclosing corporate financial performance i.e. quarterly, half yearly and Annual Audited financial results well with in stipulated period to the Stock Exchange after being approved by the Board. The results are normally published in the main editions of Jan Satta, Financial Expenses.