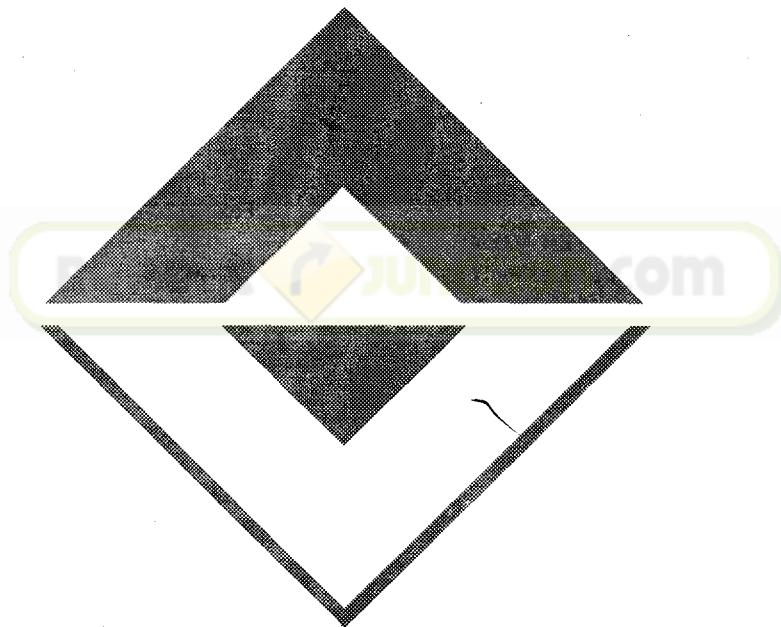




# AMCO INDIA LIMITED

**AN ISO 9001 : 2000 CERTIFIED COMPANY**



## **19TH ANNUAL REPORT 2006**



## AMCO INDIA LIMITED

### BOARD OF DIRECTORS

SH. SURENDER KUMAR GUPTA  
SH. RAJEEV GUPTA  
SH. SURESH CHAND GOYAL  
SH. SURINDER RAJ PAHWA  
SH. ANIL BHARGAVA  
SH. DAVINDER KUMAR GUPTA  
SH. DHARAM PAL AGGARWAL  
SH. SUBASH BANSAL  
SH. NEERAJ GUPTA  
SH. RAKESH GUPTA

Chairman cum Managing Director  
Whole Time Director  
Whole Time Director  
Whole Time Director  
Whole Time Director  
Director  
Director  
Director  
Add. Director  
Add. Director

### COMPANY SECRETARY

MS. ARCHANA BHAGAT

### AUDITORS

D. C. JAIN AND ASSOCIATES  
Chartered Accountants  
A-14/3, Jamna Bhawan, IInd Floor,  
Asaf Ali Road, New Delhi - 110002

### REGISTRAR & 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

### BANKERS

UTI Bank Ltd.  
B-2 & 3, Sector-16, NOIDA  
(U.P.) - 201301

### E-MAIL ID

amcoindialtd@yahoo.co.in

### WEBSITE

www.amcoindialimited.com

### REGISTERED OFFICE

10795, Shop No. 7, GF, Jhandewalan Road,  
Nabi Karim, NEW DELHI - 110055  
Ph. : 011-32520244, 23638652, 23636320

### CORPORATE OFFICE

A-5 to 7, Sector-9, NOIDA - 201301 (U.P.)  
Ph. : 0120-2522166, 2520822, 2530019, 3091352  
Fax : 0120-2522850

### WORKS

#### Unit - I

C-53-54, Sector - 57, NOIDA - 201 301 (U.P.)  
Ph. : 0120-2581075, 2581088, 2583729  
Fax : 0120-2581288

#### Unit - II

7th Milestone, Bhiwadi-Alwar Highway,  
Bhiwadi, Distt. Alwar, RAJASTHAN  
Ph. : 01493-244106, 07, 08  
e-mail : amco@datainfosys.net

#### Unit - III

82, EPIP Ist, Baddi, Distt. Solan,  
HIMACHAL PRADESH  
Ph. : 01795-320555



# AMCO INDIA LIMITED

## NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company AMCO INDIA LTD. will be held on Wednesday, the 27th day of September, 2006 at Chandiwalla Auditorium, IIIrd Floor, Chandiwalla Residential Block, Chandiwalla 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, 2006 and Profit and Loss Account for the year ended as on that date and Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Sh. Davinder Kumar Gupta who retires by rotation & being eligible offers himself for re-appointment.
4. To appoint M/s D. C. Jain And Associates, Chartered Accountants, New Delhi, as Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification, the following resolutions as ORDINARY RESOLUTIONS :

5. **"RESOLVED** that Shri Neeraj Gupta who was appointed as an Additional Director by the Board under section 260 of the Companies Act, 1956 and who holds office only up to the date of this Annual General Meeting and in respect of which the Company has received notice in writing under section 257 of the Companies Act, 1956 from himself signifying his intention to propose himself as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. **"RESOLVED** that Shri Rakesh Gupta who was appointed as an Additional Director by the Board under section 260 of the Companies Act, 1956 and who holds office only up to the date of this Annual General Meeting and in respect of which the Company has received notice in writing under section 257 of the Companies Act, 1956 from himself signifying his intention to propose himself as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. **"RESOLVED** that in supersession of resolution passed at the 7<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> Sept., 1994 and pursuant to Section 293(1)(d) of the Companies Act, 1956 and all other enabling provisions, if any, the consent of the company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the 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 purpose, provided that the total amount of money / moneys so borrowed by the Board shall not at any time exceed the limit of 100 (One hundred only) crores."
8. **"RESOLVED** that Shri Surender Kumar Gupta, Managing Director of the company be and is hereby authorised to receive Guarantee Commission at such rate and subject to such manner and conditions as determined by the Board of Directors from time to time on account of personal guarantee given by him to the Banks / Financial Institutions for sanction of loans."
9. **"RESOLVED** that Shri Rajeev Gupta, Whole-time director of the company be authorised to receive Guarantee Commission at such rate and subject to such manner and conditions as determined by the Board of Directors from time to time on account of personal guarantee given by him to the Banks / Financial Institutions for sanction of loans."

To consider and if thought fit, to pass with or without modification, the following resolutions as SPECIAL RESOLUTIONS :

10. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, the Company hereby accords its approval to the re-appointment of Shri Rajeev Gupta as Whole-time Director of the Company for a period of three years with effect from 01.08.2006 on the terms and conditions as set out in the explanatory statement.



## AMCO INDIA LIMITED

RESOLVED FURTHER that the terms of the said appointment as set out in the Explanatory Statement submitted to this meeting is hereby specifically sanctioned with liberty to the Board to alter, vary and modify the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Rajeev Gupta subject to the same being in conformity with the provisions of Schedule XIII of the Companies Act, 1956 for the time being in force and that the Board be and is hereby authorized to take such steps as would be expedient or desirable to give effect to this resolution including obtaining of the approval of the Central Government, if so required."

11. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, the Company hereby accords its approval to the re-appointment of Shri Anil Bhargava as Whole-time Director of the Company for a period of three years with effect from 01.08.2006 on the terms and conditions as set out in the explanatory statement.

RESOLVED FURTHER that the terms of the said appointment as set out in the Explanatory Statement submitted to this meeting is hereby specifically sanctioned with liberty to the Board to alter, vary and modify the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Anil Bhargava subject to the same being in conformity with the provisions of Schedule XIII of the Companies Act, 1956 for the time being in force and that the Board be and is hereby authorized to take such steps as would be expedient or desirable to give effect to this resolution including obtaining of the approval of the Central Government, if so required."

12. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, the Company hereby accords its approval to the re-appointment of Shri Surinder Raj Pahwa as Whole-time Director of the Company for a period of three years with effect from 01.08.2006 on the terms and conditions as set out in the explanatory statement.

RESOLVED FURTHER that the terms of the said appointment as set out in the Explanatory Statement submitted to this meeting is hereby specifically sanctioned with liberty to the Board to alter, vary and modify the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Surinder Raj Pahwa subject to the same being in conformity with the provisions of Schedule XIII of the Companies Act, 1956 for the time being in force and that the Board be and is hereby authorized to take such steps as would be expedient or desirable to give effect to this resolution including obtaining of the approval of the Central Government, if so required."

13. **"RESOLVED** that in partial modification of Resolution No. 4 passed at the Annual General Meeting of the Company held on 20<sup>th</sup> Sept., 2005 and in accordance with the provisions of sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the remuneration applicable to Shri Surender Kumar Gupta, Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within the respective scale, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 01.09.2006, and that his tenure of re-appointment be revised for a period of three years which shall take effect from 01.09.2006 as set out in the draft Supplementary Agreement submitted to this meeting and initialed by the chairman for the purpose of identification which Supplementary Agreements are hereby specifically sanctioned."
14. **"RESOLVED** that in partial modification of Resolution No. 4 passed at the Annual General Meeting of the Company held on 25<sup>th</sup> Aug., 2003 and in accordance with the provisions of sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the remuneration applicable to Shri S. C. Goyal, Whole-time Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within the respective scale, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 01.08.2006, and that his tenure of re-appointment be revised for a period of three years which shall take effect from 01.08.2006 as set out in the draft Supplementary Agreement submitted to this meeting and initialed by the chairman for the purpose of identification which Supplementary Agreements are hereby specifically sanctioned."

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

**Place : New Delhi  
Date : 31st July, 2006**

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



# AMCO INDIA LIMITED

## NOTES :

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of resolution set out under item No.s 5 to 14 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.  
*Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.*
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. All document referred to in the Notice and accompanying explanatory statement are open for inspection at the Corporate Office of the Company on all working days, except Sundays and holidays between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20<sup>th</sup> Sept., 2006 to Wednesday, 27<sup>th</sup> Sept., 2006 (both days inclusive).
6. The dividend as recommended by the Board, if declared at the Annual General Meeting will be paid to those members whose names stand registered on the Company's Register of Members:-  
(a) as Beneficial Owners as on 19<sup>th</sup> Sept., 2006 as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form; and  
(b) as members in the Register of Members of the Company after giving effect to all the valid share transfers in physical form which are lodged with the Company / RTA on or before 19<sup>th</sup> Sept., 2006.
7. Investors holding physical shares are advised to forward the particulars of their bank account, name, branch and address of the bank immediately, if not sent already, so as to enable us to incorporate the same on dividend warrants.
8. 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 Company Registrar the folios of such accounts to consolidate their holdings in one folio.
9. Members are requested to quote their Client ID & DP in all correspondence with the Company Registrar. Members are also requested to notify immediately any change in their address to their Depository Participants / Company Registrar.
10. Members are requested to bring the copy of Annual Report at the AGM.
11. Members are requested that any queries on accounts and operations of the Company, if any, may please be sent to the Company at least ten days in advance of the meeting so that the answers may be made available at the meeting.
12. Members are informed that in case of joint holders attending the meeting, only first named joint holders in the order of names will be entitled to vote.
13. Information as required under Clause 49 of the Listing Agreement about directors who are appointed or re-appointed are given in the Corporate Governance Section.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956** **ITEM NO. 5 & 6:-**

Shri Neeraj Gupta and Shri Rakesh Gupta were appointed as Additional Director of the Company w.e.f. 15<sup>th</sup> December, 2005 and by virtue of Section 260 of the Companies Act, 1956, read with Article 89 of the Articles of Association of the Company, they hold office up to the ensuing Annual General Meeting of the Company. The Company has received notices in writing from them in terms of Section 257 of the Companies Act, 1956, signifying their intention to propose themselves for the office of Directors of the Company.

Except Shri Neeraj Gupta and Shri Rakesh Gupta, none of the other directors of the company are concerned / interested in this resolution.

The directors recommend the resolution for approval of the members.

## **ITEM NO. 7:-**

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot except with the consent of the company in general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for specific purpose.

At the Annual General Meeting of the company held on 29<sup>th</sup> day of September, 1994, the shareholders had authorised the Board of Directors to borrow money upto rupees ten crores at any time in excess of the aggregate of the paid-up capital of the Company and its free reserves. In order to provide for additional funds needed due to increase in working capital and other requirements for expansion programme, it is proposed to increase the limit of Rs. 10 (ten) crores to Rs. 100 (One hundred) crores.

Accordingly, the sanction of the shareholders, under section 293(1)(d) of the Act is being requested to enable the Directors to borrow moneys to the extent of Rs. 100 (One hundred) crores in supersession of the earlier resolution passed on 29<sup>th</sup> day of September, 1994.

None of the directors are concerned / interested in this resolution.

The directors recommend the resolution for approval of the members.

## **ITEM NO. 8 & 9:-**

The Company has to borrow funds in terms of loans from the Banks / Financial Institutions to look after its operational requirements.



## AMCO INDIA LIMITED

One of the terms and conditions of sanction of loans is to provide personal guarantee. As Shri Surender Kumar Gupta and/or Shri Rajeev Gupta provide their surety's to the banks / financial institutions and the risks which they bear, it is recommended by the board that they should be provided with Guarantee Commission. The rate and the terms and conditions of the Guarantee Commission is being set out in the draft agreement entered into between the Company and Shri Surender Kumar Gupta and Shri Rajeev Gupta with the discretion to the Board members to vary or set aside the rate and T & C of the draft agreement. The draft agreement is available for inspection by the members at Corporate Office of the Company situated at A-5, Sector-9, Noida, (U.P) between 11.00 a.m. to 1.00 p.m. on any working day except holidays.

Except Shri Surender Kumar Gupta and Shri Rajeev Gupta, none of the other directors of the company are concerned / interested in this resolution.

The directors recommend the resolution for approval by the members.

### ITEM NO. 10, 11, 12, 13 & 14:-

The Company had appointed Shri Rajeev Gupta, Shri Anil Bhargava and Shri Surinder Raj Pahwa as Whole-time Director of the company at the 14<sup>th</sup> Annual General Meeting of the Company for a period of five years. The term of their appointment expires on 20<sup>th</sup> August, 2006. The Board of Directors at its meeting has reappointed them for a further period of three years w.e.f. 1<sup>st</sup> August, 2006. Their re-appointment and remuneration as set out below is subject to the approval of the shareholders for which purpose, the resolution, as set out in the Notice is proposed.

At the Annual General Meeting of the Company held on 20<sup>th</sup> Sept., 2005 and 25<sup>th</sup> Aug., 2003, the members of the company had approved the re-appointment of Shri Surender Kumar Gupta and Shri S. C. Goyal as Managing Director and whole-time director of the company, respectively. Having regard to the Government's liberalized guidelines on managerial remuneration, it is proposed to revise the remuneration of Shri Surender Kumar Gupta and Shri S. C. Goyal w.e.f. 1<sup>st</sup> Sept., 2006 and 1<sup>st</sup> Aug., 2006 respectively in the manner and to the extent given below.

#### Salary (per month)

Shri Rajeev Gupta, Shri Anil Bhargava, Shri Surinder Raj Pahwa	- Rs. 60,000/-
and Shri S. C. Goyal	(Grade Rs. 60,000-10,000-80,000)
Shri Surender Kumar Gupta	- Rs. 110,000/-
	(Grade Rs. 110,000-10,000-130,000)
	-: 25% of Salary

#### HRA

#### Commission:-

At the rate of 0.60% and 0.40% to Shri Surender Kumar Gupta and Shri Rajeev Gupta, respectively, on the turnover exceeding Rs. 50 Crores subject to a maximum as may be laid down by the Board of Directors from time to time.

#### Perquisites:-

- (i) Gratuity as per the laws applicable from time to time.
- (ii) Leave with full pay as per Company Rules and encashment of unavailed leave allowed at the end of tenure.
- (iii) Free furnished residential accommodation with gas, electricity, water and furnishings or unfurnished decomposition with gas, electricity and furnishings or house rent allowance in lieu thereof together with house maintenance allowances.
- (iv) Reimbursement of medical expenses including hospitalization, nursing home & surgical charges for himself & family.
- (v) Reimbursement of actual traveling expenses for proceeding on leave to any place in India and / or abroad and return there from in respect of himself and family.
- (vi) Reimbursement of servant's salary subject to a max. of two servants on a salary of upto Rs. 3,000/- per servant per month.
- (vii) Reimbursement of membership fees for clubs.
- (viii) Group Personal accident insurance policy in accordance with the policies of the company.
- (ix) Free use of Company's car for Company's work as well as for personal purposes along with driver.
- (x) Telephone at residence at Company's cost.

The above shall be subject to overall ceiling of remuneration stipulated in section 198 and 309 of the Companies Act, 1956.

Provided that in the event of absence or inadequacy of profits in any financial year, the aforesaid remuneration be paid to them subject to the overall ceilings laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956.

The term of re-appointment of Shri Surender Kumar Gupta and Shri S. C. Goyal is been revised for a period of three years which shall take effect from 1<sup>st</sup> Sept., 2006 and 1<sup>st</sup> Aug., 2006 respectively.

The draft agreement between the Company and Shri Rajeev Gupta, Shri Anil Bhargava, Shri Surinder Raj Pahwa, Shri Surender Kumar Gupta and Shri S. C. Goyal is available for inspection by the members at Corporate Office of the Company situated at A-5, Sector-9, Noida, (U.P) between 11.00 a.m. to 1.00 p.m. on any working day except holidays.

The above may also be treated as an abstract u/s 302 of the Companies Act, 1956.

The Agreement may be terminated by either party by giving to the other three months prior notice in writing.

Except Shri Rajeev Gupta, Shri Anil Bhargava, Shri Surinder Raj Pahwa, Shri Surender Kumar Gupta and Shri S. C. Goyal in their respective resolutions, none of the other directors of the Company are concerned / interested in the resolution's.

The directors recommend the resolution for approval by the members.



## DIRECTORS' REPORT

To the Members,

Your directors are pleased to present the 19<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended as on 31st March, 2006.

**FINANCIAL RESULTS & PERFORMANCE OF THE COMPANY :**

(Rupees in lacs)

	<u>2005-06</u>	<u>2004-05</u>
Gross Sales	10253.54	8367.06
Gross Profit after interest but before depreciation and taxation	324.25	307.80
Depreciation	109.41	104.54
<b>Net Profit Before Taxation</b>	<b>214.84</b>	<b>203.26</b>
Provision for Taxation	71.67	45.30
Provision for Deferred Tax	7.02	7.03
Net Profit for the year	136.15	150.93
Balance brought from last year	1200.78	1049.85
Net Profit available for Appropriation	1336.93	1200.78
Proposed Dividend	41.10	NIL

**OPERATIONS :**

The Board is pleased to inform the growth of your Company. The turnover of the company has improved from Rs. 7342.39 Lacs in the F.Y. 2004-05 to Rs. 9034.42 Lacs in F.Y. 2005-06, a growth of 23.04% over the previous year. The PBT (Profit before Tax) of the company has increased from Rs. 203.26 Lacs in F.Y. 2004-05 to Rs. 214.84 Lacs in F.Y. 2005-06 and PAT (Profit after Tax) has declined from Rs. 150.93 Lacs in F.Y. 2004-05 to Rs. 136.15 Lacs in F.Y. 2005-06.

**NEW UNIT :**

The company have set up a Flexible Laminated Foil Plant in Baddi, Himachal Pradesh. The unit has still to start its production and the board is hopeful to start its operations during this year.

**DIVIDEND :**

The Directors are pleased to recommend a dividend at the rate of Rs. 1.00/- per share on the equity shares of Rs. 10/- each fully paid-up in the paid-up capital of the company for the year ended 31<sup>st</sup> March, 2006.

**DIRECTORS :**

During the year under report, Shri Davinder Kumar Gupta retire by rotation and being eligible offer himself for re-appointment.

Shri Neeraj Gupta and Shri Rakesh Gupta who were appointed as additional directors of the company on 15.12.2005 shall vacate their office at the ensuing Annual General Meeting and being eligible, has fulfilled the requirements of Section 257 of the Companies Act, 1956 and are willing to accept the office of Directors if re-appointed.

Shri Rajeev Gupta, Shri Anil Bhargava and Shri Surinder Raj Pahwa who were appointed as whole-time directors of the company has completed their terms of appointment and seeks the approval of the shareholders for re-appointment as such for such further period subject to such terms and conditions as are set out in the draft agreement. The proposed resolution has been included in the notice of the 19<sup>th</sup> Annual General Meeting for your consideration.

The particulars of the directors proposed to be appointed or re-appointed are given in the Corporate Governance Report of this Annual Report.

**CORPORATE GOVERNANCE :**

Your company has complied with the requirements and disclosures of the Corporate Governance Requirements as per Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A report on Corporate Governance along with a certificate of compliance from the Auditors, forms part of this Annual Report.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state:

- That in the preparation of annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- That the Directors have, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company;
- That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the annual accounts have been prepared on a going concern basis.

**PARTICULARS OF EMPLOYEES :**

The information 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.

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Disclosure under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) 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 required to be disclosed in Form 'B' are not applicable.

**AUDITORS :**

M/s D. C. Jain And Associates, Chartered Accountants, New Delhi, Auditors of the Company retire at the conclusion of this Annual General Meeting and 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.

**NOTES ON ACCOUNTS**

The Notes on Accounts read with the Auditors Report are self explanatory and therefore do not require any further comments or explanations under section 217(3) of the Companies Act, 1956.

**ACKNOWLEDGEMENTS :**

Your Directors place on record their appreciation of 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 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  
31st July, 2006

(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

<b>A. POWER &amp; FUEL CONSUMPTION</b>	<b>2005-06</b>	<b>2004-05</b>
<b>1. Electricity</b>		
(a) Purchased		
(i) Unit (Kwh)	6118917	5842875
(ii) Amount (Rs. in Lacs)	269.33	259.28
(iii) Rate (Rs. / Unit)	4.40	4.44
(b) Own Generated through DG Set		
(i) Unit (Kwh)	696172	537390
(ii) Rate (Rs. / Unit)	9.24	7.73
<b>2. L.D.O.</b>		
(i) Quantity (K. Ltr.)	690.41	634.53
(ii) Amount (Rs. in Lacs)	194.00	138.10
(iii) Rate (Rs. / Ltr.)	28.10	21.77
<b>3. Other/Internal Generation</b>	N.A.	N.A.
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
PVC Films / Sheetings & Aluminium Foil		
(1) Electricity (Kwh / Kg.)	0.80	0.80
(2) L. D. O. (Ltr. / Kg.)	0.08	0.09

### 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 or organisation.

### III. FOREIGN EXCHANGE EARNING AND OUTGO

	<b>2005-06</b>	<b>2004-05</b>
Foreign Exchange Earning (Rs. in Lacs)	462.44	362.91
Foreign Exchange Outgo (Rs. in Lacs)	1568.01	817.60

### DECLARATION ON ANNUAL COMPLIANCE REPORT FOR CODE OF CONDUCT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I Shri Surender Kumar Gupta, Chairman cum Managing Director of 'AMCO INDIA LIMITED' do hereby make a declaration that all the board members and senior management including general managers and territorial general managers have complied with the provisions of the Code of Conduct during the Financial Year 1st April 2005 to 31st March, 2006.

Place : New Delhi  
Date : 31st July, 2006

Sd/-  
(Surender Kumar Gupta)  
Chairman-cum-Managing Director



# AMCO INDIA LIMITED

## Annexure to Directors' Report

### AUDITORS' CERTIFICATE

To,  
The Members of Amco India Limited,

We have examined the compliance of conditions of corporate governance by Amco India Limited for the year ended on 31<sup>st</sup> March, 2006, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the period April 1<sup>st</sup>, 2005 to March 31<sup>st</sup>, 2006, no investor grievances are pending against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For D. C. JAIN AND ASSOCIATES**  
**Chartered Accountants**

Place : New Delhi  
Date : 30th June, 2006

Sd/  
( D. C. JAIN )  
PROP.

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY

Corporate Governance refers to a 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 refers to a process which should safeguard and add value in 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 that meets to the needs of its partners.

### COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

The shares of AMCO INDIA LTD. is listed on two Stock Exchanges in India. Clause 49 of the Listing Agreement entered into with the stock exchanges sets out the conditions of corporate governance that the listed companies are required to comply with. The Company is in compliance with the conditions and details of such compliance are furnished hereunder:-

#### 1. BOARD OF DIRECTORS

The Board of Director of the Company consists of Executive Directors and Non-Executive Directors, Non-Executive Directors constitute 50% of the Board. The Non-Executive Directors are accomplished professional in their respective corporate fields.

The Board met six times during the year under report on the following dates:  
28.06.2005, 30.07.2005, 27.10.2005, 15.12.2005, 31.01.2006 and 04.03.2006

The following table gives details of composition, category of Directors, number of Board Meetings attended, last AGM attended and number of membership / chairmanship held in other boards / boards committees.



## AMCO INDIA LIMITED

Name of Directors	Category of Directors	Number of Board Meetings attended	Attendance at last AGM held on 20.09.05	No. of other directorship held	No. of Committee Memberships (other companies)	
					Member	Chairman
Sh. Surender Kumar Gupta	Promoter Managing Director	6	Yes	1	-----	-----
Sh. Rajeev Gupta	Promoter Executive Director	6	Yes	2	-----	-----
Sh. S. C. Goyal	Non-Promoter Executive Director	6	Yes	2	-----	-----
Sh. Anil Bhargava	Non-Promoter Executive Director	6	Yes	-----	-----	-----
Sh. S. R. Pahwa	Non-Promoter Executive Director	6	Yes	1	-----	-----
Sh. D. K. Gupta	Independent Non-Executive Director	3	Yes	2	-----	-----
Sh. Subash Bansal	Independent Non-Executive Director	3	Yes	4	-----	-----
Sh. Dharam Pal Aggarwal	Independent Non-Executive Director	1	Yes	1	-----	-----
Sh. Neeraj Gupta	Independent Non-Executive Director	2	N. A.	4	-----	-----
Sh. Rakesh Gupta	Independent Non-Executive Director	2	N. A.	-----	-----	-----

### Disclosure regarding Directors seeking appointment or re-appointment at the ensuing Annual General Meeting:-

1. Shri Neeraj Gupta aged 40 years is MBA(F) and has sixteen years of experience in real estate. He is also a director in Rangilall Estates Pvt. Ltd., Srimata Services Pvt. Ltd., J B B Builtch Pvt. Ltd., Smile Infotech Pvt. Ltd. He is a member of Remuneration Committee of the company.
2. Shri Rakesh Gupta aged 42 years is a graduate in Commerce holding industry experience of ten years in the field of Foam Lamination, PVC Films & Sheetings and Eva Sheets. Presently is not serving in the boards of any company. He is a member of Remuneration Committee of the company.
3. Shri Rajeev Gupta aged 38 years holds experience of fifteen years in the areas of PVC Films & Sheetings and Aluminium Foils. He is a member of Remuneration Committee of the company and presently is serving in the boards of Amc Coated Fabrics Ltd. and Reha Infotech Pvt. Ltd.
4. Shri Anil Bhargava aged 53 years is B.E. (Mech) holding experience of twenty seven years in the field of PVC Films & Sheetings and Aluminium Foils. Presently is not serving in the boards of any company.
5. Shri Surinder Raj Pahwa aged 66 years is B.E. (Elect & Mech) holding experience of forty five years in the field of Plastic industries especially in the areas of PVC Films & Sheetings & Foam Lamination and presently is serving in the boards of Polyaminations Pvt. Ltd. He is a member of 'Transfer & Shareholders / Investors Greivance Committee' of the company.

### Code of Conduct

The Board of Directors has adopted the Code of Conduct for the Board Members and Senior Management including General Managers and territorial General Managers of the Company and they have affirmed compliance with the code as on 31<sup>st</sup> March, 2006. The Annual Report of the company contains a declaration to this effect signed by the Chairman & Managing Director of the Company.

The above said Code of Conduct is posted on the website of the Company ([www.amcoindialimited.com](http://www.amcoindialimited.com))

### 2. AUDIT COMMITTEE:-

#### Composition of Audit Committee

The Audit Committee comprises of the following as on 31<sup>st</sup> March, 2006.

1. Sh. D. K. Gupta, Non-Executive Independent Director, is Chairman who possess requisite accounting and financial knowledge.
2. Sh. Subash Bansal, Non-Executive Independent Director
3. Sh. S. C. Goyal, Executive Director.
4. Ms. Archana Bhagat, Company Secretary is the Compliance Officer to the Committee.