

## NOTICE OF 30<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that 30th Annual General Meeting of the Members of AMD Industries Limited will be held on Tuesday 24th September, 2013 at 10.30 AM. at Daffodils Hotels, Tania Farms Complex, Chattarpur Mandir Road, Satbari Village, New Delhi – 110030 to transact the following businesses:

### **ORDINARY BUSINESSSES**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors' thereon.
2. To declare dividend on Equity Shares for the financial year ended on 31st March, 2013.
3. To appoint a Director in place of Mr. Harswarup Gupta, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Seshadri Ratnam, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s Suresh & Associates, Chartered Accountants, New Delhi (FRN- 0003316N) as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS**

6. **To consider and if thought fit, to pass with or without modifications, following Resolution as a Special Resolution**

**RESOLVED THAT** in supersession of the earlier resolution passed by the Board of Directors in its meeting held on 18th March, 2011 and in pursuant to the provisions of section 269, 198, 309, 310, and 311, read with Schedule XIII, of the Companies Act, 1956 including any statutory modification or re-enactment thereof for time being in force and other applicable provisions thereof, if any, and of listing agreement, and Articles of Association as applicable if any, and as approved by the Remuneration Committee & Board of Directors of the Company Mr. Harswarup Gupta is hereby reappointed as an Executive Chairman of the Company for a period of 3 years w.e.f. 1st April, 2013 on the following terms, conditions & remuneration:

#### **BASIC SALARY:**

Rs. 3,50,000/- per month.

#### **PERQUISITES AND ALLOWANCES:**

##### **Housing:**

Rent free furnished accommodation will be provided by the Company subject to maximum monthly rental of Rs. 3,50,000/- per month.

##### **Medical Reimbursement:**

Expenses actually incurred for self and family.

##### **Leave Travel Concession:**

For self and family once in a year upto one month basic.

##### **Club Fees:**

Fees of Clubs inclusive of admission and life membership fee subject to a maximum of two clubs.

**Medical Insurance premium:** as per policy of the Company

##### **Personal Accident Insurance:**

Personal Accident Insurance as per the policy of the company

### **Entertainment Expenses:**

Reimbursement of entertainment expenses : on actual basis incurred during the course of the business.

### **Facilities:**

Car with chauffeur for official use, telephones, Internet and fax facility at residence for official work. These will not be considered as perquisites.

### **Bonus:**

Bonus equivalent to one month of basic salary.

### **Commission:**

Upto 5% of net profits per annum.

And other benefit/amenity/facility/ex-gratia as may be prescribed to be payable from time to time in accordance with the Policy of the Company.

Retiral Benefits as per policy of the Company not to be included in the ceiling of overall remuneration as provided under Schedule XIII to the Companies Act, 1956:

- Contributions by the Company to Provident Fund, Superannuation Fund so far the same is not taxable under the provisions of Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- Leave accumulated up to one month leave in a year to be encashed at the end of the tenure.

By Order of the Board of Directors  
For AMD Industries Limited

Place : New Delhi  
Date : 28.05.13

**Ashok Gupta**  
**Managing Director**

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD HOWEVER REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Corporate Members, intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books, in respect of Equity Shares of the Company, will remain closed from 19th September (Thursday) to 24th September (Tuesday) (both days inclusive).
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio Numbers on the Attendance slip for attending the meeting.
7. In case of joint shareholders attending the Meeting, only such holder whose name appears first in the Register of Members will be entitled to vote.



8. Relevant documents referred to in the accompanying Notice are open for inspection at the registered office of the company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
9. Members who hold shares in physical form in multiple folios, in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer agents, M/S Bigshare Services Private Limited for consolidation into a single folio.
10. Annual listing fee for the year 2013-14 has been paid to the Stock Exchanges wherein the shares of the Company are listed.
11. The Members please be informed that pursuant to the proposal of Ministry of Corporate Affairs, Government of India, New Delhi, vide draft circular no. F. No. 17/218/2011 CL. V dated July, 2011, and as a further step towards good corporate governance practices, no gifts, food coupons or gifts coupons shall be distributed at the Annual General Meeting.

For and on behalf of the Board  
For AMD Industries Limited

Place : New Delhi  
Date : 28.05.13

**Ashok Gupta**  
**Managing Director**

## **EXPLANATORY STATEMENT IN PURSUANCE TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

### **Item No. 6**

Mr. Harswarup Gupta, Executive Chairman of the Company is having more than 52 years of experience, knowledge and understanding

about the business of the Company and his regular involvement and guidance in the business of the Company is a factor in the growth of the business of the Company over the years. Mr. Harswarup Gupta, Executive Chairman of the Company helps to make the reputation of the Company in Indian Market.

Keeping in view the above, the terms of appointment along with that of remuneration has been revised and he has been reappointed for a term of 3 years w.e.f. 01st of April, 2013 by the Board of Directors of the Company in their meeting held on 28th May, 2013 after the approval of Remuneration Committee in its meeting held on 28th May, 2013.

Since in terms of Section 269, 309, 310, and 311, read with Schedule XIII of the Companies Act, 1956, reappointment of Mr. Harswarup Gupta, Executive Chairman of the Company requires the approval of Members of the Company and of the Central Government, your Board has recommended, in the interest of the Company, the resolution as a special resolution for your approval.

Except Mr. Ashok Gupta, Mr. Adit Gupta being relatives of Mr. Harswarup Gupta and Mr. Harswarup Gupta, none of the other directors of the Company are in any way concerned or interested in the resolution.

The General Information as per Schedule XIII Part C is enclosed herewith

The above shall be treated as an abstract under section 302 of the Companies Act, 1956.

## **GENERAL INFORMATION AS PER SCHEDULE XIII PART C TO BE ENCLOSED WITH THE EXPLANATORY STATEMENT**

SL. NO.	PARTICULARS REQUIRED	INFORMATION SUBMITTED
<b>I</b>	<b>GENERAL INFORMATION</b>	
1.	NATURE OF INDUSTRY	Apart from the Packaging Business the company is also authorized to do business in Textile, Real Estates and other Businesses as appended in the Main Objects. The Company has not yet generated revenues from the Textile and Real Estates Businesses. The packaging business of the Company is a seasonal business.
2.	DATE OR EXPECTED DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION	The company has started commercial production in the year 1985.
3.	IN CASE OF NEW COMPANIES, EXPECTED DATE OF COMMENCEMENT OF ACTIVITIES AS PER PROJECT APPROVED BY FINANCIAL INSTITUTIONS APPEARING IN THE PROSPECTUS	Not Applicable
4.	FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS	As per Annexure-I
5.	EXPORT PERFORMANCE AND NET FOREIGN EXCHANGE COLLABORATIONS	As per Annexure-II
6.	FOREIGN INVESTMENT OR COLLABORATORS, IF ANY	NIL
<b>II</b>	<b>INFORMATION ABOUT THE APPOINTEES:</b>	
<b>B</b>	<b>MR. HARSWARUP GUPTA</b>	<b>EXECUTIVE CHAIRMAN</b>
1	BACKGROUND DETAILS	<b>Mr. Harswarup Gupta</b> aged about 85 years is one of the founder promoters of the AMD Group. He is a director of the company. He is the chairman of <b>AMD Industries Limited</b> .
2	PAST REMUNERATION	As per annexure-III
3	RECOGNITION OF AWARDS	<b>Mr. Harswarup Gupta</b> have been awarded with <b>Samman Patra</b> by the Income Tax Department for being one of individual paying highest income Taxes for the assessment year between 1994-1995 to 1998-1999.



4	JOB PROFILE AND HIS SUITABILITY	He has been associated with the packaging industry for more than 50 years. He started his new glass bottles trading business in Calcutta in the year 1958 in name and style of Ashoka Sales Agency.
5	REMUNERATION PROPOSED	As per annexure-III
6	COMPARITIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY AND PROFILE OF THE POSITION AND PERSON	Information not available
7	PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY, OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL, IF ANY.	He is father of Managing Director, Mr. Ashok Gupta and grand father of Joint Managing Director, Mr. Adit Gupta
III	<b>OTHER INFORMATION</b>	
1	REASONS OF LOSS OR INADEQUATE PROFITS	The business of the Company is substantially dependent upon the growth of its main customers in the beverage industry because of which the margins of the Company are not up to the mark.
2	STEPS TAKEN OR PROPOSED TO BE TAKEN FOR IMPROVEMENT	Further the Company has initialized the process of venturing into other sectors such as textile, real estates and other business to generate more profits. The 5th Pet Preform Line at Neemrana, Rajasthan has been made operational and commercial products thereat has been commenced, and which will contribute towards increase in production and revenue of the Company.
3	EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS	As per annexure -IV
IV	<b>DISCLOSURES</b>	
1	THE SHAREHOLDERS OF THE COMPANY SHALL BE INFORMED OF THE REMUNERATION PACKAGE OF THE MANAGERIAL PERSON	REMUNERATION PACKAGE HAS BEEN GIVEN IN THE Annexure – III
2	THE FOLLOWING DISCLOSURES SHALL BE MENTIONED IN THE BOARD OF DIRECTOR'S REPORT UNDER THE HEADING 'CORPORATE GOVERNANCE', IF ANY ATTACHED TO THE ANNUAL REPORT:- (I) ALL ELEMENTS OF REMUNERATION PACKAGE SUCH AS SALARY, BENEFITS, BONUSES, STOCK OPTIONS, PENSION, ETC., OF ALL THE DIRECTORS (II) DETAILS OF FIXED COMPONENT AND PERFORMANCE LINKED INCENTIVES ALONG WITH THE PERFORMANCE CRITERIA (III) SERVICE CONTRACTS, NOTICE PERIOD, SEVERANCE FEES, (IV) STOCK OPTION DETAILS, IF ANY, AND WHETHER THE SAME HAS BEEN ISSUED AT A DISCOUNT AS WELL AS THE PERIOD OVER WHICH ACCRUED AND OVER WHICH EXERCISABLE	Are incorporated suitably in the Annual Report.

**ANNEXURE- I** The summary of the key working results and financial position for the past two years is given in hereunder:

## FINANCIAL PERFORMANCE(Rs./Lacs)

FINANCIAL PERFORMANCE	(Rs./Lacs)	
PARTICULARS	2012	2013
Sales	18269.84	15826.37
Operating Profit	2872.88	2064.38
Financial Charges	1073.46	1010.32
Gross Profit	1799.42	1054.06
Depreciation	762.53	827.90
PBT	1036.89	226.16
Taxes	386.57	67.12
PAT	650.32	159.03
Earning Per Share (Rs.)	3.39	0.83
OPM (%)	15.72	13.04
NPM (%)	3.56	1.00

## CAPITAL STRUCTURE

PARTICULARS	2012	2013
Equity Share Capital	1917	1917
Net worth	11588.23	11546.78
Current Assets	10602.92	11731.78
Current Liabilities	9076.92	8109.57
Long Term Liabilities	3824.49	6124.66
Net Fixed assets	8548.77	8771.09
Book Value (Rs)	60.46	60.24
Debt Equity Ratio	0.33	0.53
Current Ratio	1.17	1.54

## ANNEXURE-II

### EXPORT PERFORMANCE

#### EXPORT OF GOODS CALCULATED ON FOB VALUE

YEAR	AMOUNT
2011-12	RS. 349,439,908.21
2012-13	RS. 128,426,690.52

## ANNEXURE-III

### PAST AND PROPOSED REMUNERATION OF MR. HARSWARUP GUPTA

#### PAST REMUNERATION

##### **BASIC SALARY**

Rs. 2,75,000/- per month.

##### **PERQUISITES AND ALLOWANCES:**

##### **Housing:**

- The expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 30% of the basic salary on monthly basis.
- In case no accommodation is provided by the Company, entitlement to house rent allowance subject to ceiling laid down in (a) above.

##### **Medical Reimbursement**

Expenses actually incurred for self and family.

##### **Leave Travel Concession**

For self and family once in a year upto one month basic.

##### **Club Fees**

Fees of Clubs inclusive of admission and life membership fee subject to a maximum of two clubs.

**Medical Insurance premium** as per policy of the Company

##### **Personal Accident Insurance**

Personal Accident Insurance as per the policy of the company

##### **Entertainment Expenses**

Reimbursement of entertainment expenses on actual basis incurred during the course of the business.

##### **Facilities**

Car with chauffeur for official use, telephones, Internet and fax facility at residence for official work. These will not be considered as perquisites.

##### **BONUS**

Bonus equivalent to one month basic salary.

##### **Commission**

Upto 5% net profit per annum

And other benefit/amenity/facility as may be prescribed to be payable from time to time in accordance with the Policy of the Company

**Retiral Benefits as per policy of the Company not to be included in the ceiling of overall remuneration as provided under Schedule XIII to the Companies Act, 1956 :**

- Contributions by the Company to Provident Fund, Superannuation Fund so far the same is not taxable under the provisions of Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- Leave accumulated upto one month leave in a year to be encashed at the end of the tenure.

#### PROPOSED REMUNERATION

##### **BASIC SALARY:**

Rs. 3,50,000/- per month.

## PERQUISITES AND ALLOWANCES:

##### **Housing:**

Rent free furnished accommodation will be provided by the Company subject to maximum monthly rental of Rs. 3,50,000/- per month.

##### **Medical Reimbursement:**

Expenses actually incurred for self and family.

##### **Leave Travel Concession:**

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## ANNEXURE-IV

### EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASUREABLE TERMS

(Rs./Lacs)

PARTICULARS	2013-14	2014-15
Expected Increase in Production	9-10%	10-11%
Expected Increase in Sales	4-5%	5-6%
Expected Increase in Gross Profit	11-12%	12-13%
Expected Increase in Net Profit	6-7%	7-8%

For and on behalf of the Board  
of AMD Industries Limited

Place: New Delhi  
Date: 28.05.13

**Ashok Gupta**  
Managing Director

## **Annual Report 2012-2013**



**AMD Industries Limited**



## OUR VISION

To take on high growth track by establishing a strong and a supportive link in the total supply chain management of our associates.

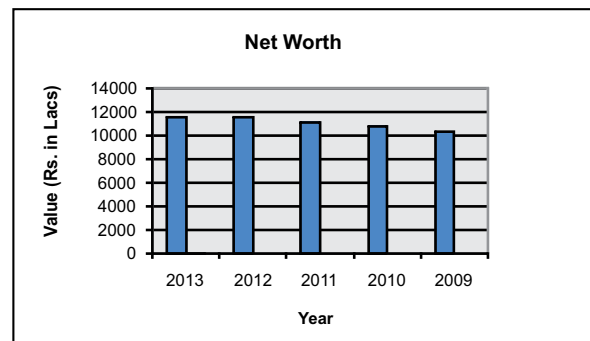
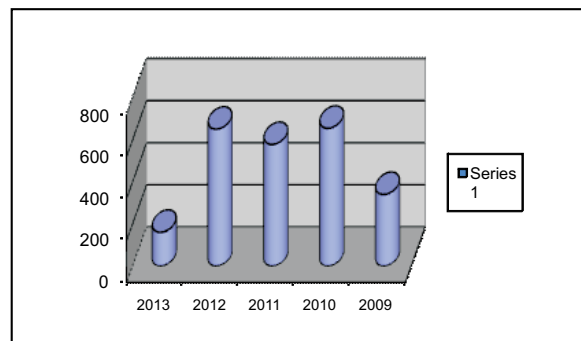
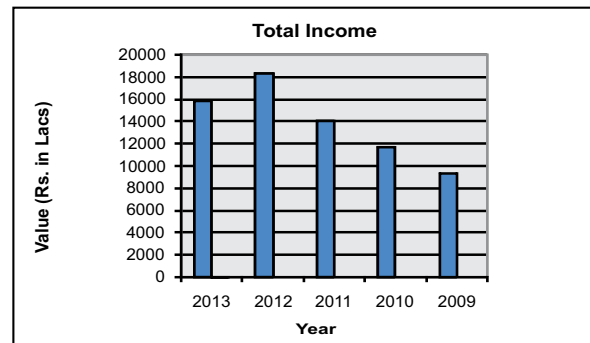
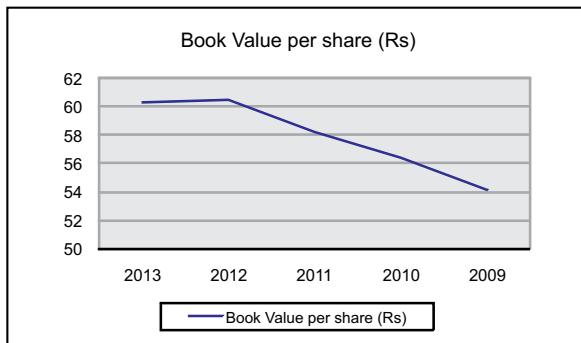
## QUALITY POLICY

We at AMD are committed to control and improve quality, cost and delivery performance through continual improvement of the quality management. We shall increase our market share year after year through improving customer satisfaction.

## FINANCIAL INDICATORS FOR PAST 5 YEARS

(RS. IN LACS)

PARTICULARS	YEAR ENDED 31ST MARCH				
	2013	2012	2011	2010	2009
TOTAL INCOME	15826.37	18269.84	14051	11691.08	9345.02
PBDIT	1838.22	2872.88	2537.6	2451.63	1972.48
PBT	2261.55	1036.88	769.28	1080.13	696.88
Provision for taxation					
Current	117.05	330	180	285.43	178.34
Deferred	-31.65	24.03	19.7	161.45	179.18
PAT	159.03	650.32	577.32	654.39	339.35
Cash Profit <sup>A</sup>	986.93	1412.85	1300.26	1215.6	820.75
Fixed Assets					
Gross Block including Capital WIP	13793.77	12829.16	12741.94	12044.35	8960.78
Net Block	8692.73	8548.77	9186.14	9206.32	6663.11
Equity Share Capital	1916.67	1916.67	1916.67	1916.67	1916.67
Reverses & Surplus	9630.1	9671.55	9243.99	8890.91	8460.77
Networth	11546.77	11588.22	11160.66	10807.58	10377.45
EPS (Rs.) (Annualized)	0.83	3.39	3.01	3.41	1.77
Cash EPS (Rs.) (Annualized)	5.15	7.37	6.78	6.34	4.28
Book Value per share (Rs)	60.24	60.46	58.23	56.39	54.14
<sup>A</sup> Net of Deferred Tax Liability					





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. H.S. Gupta**  
*Chairman*

**Mr. Ashok Gupta**  
*Managing Director*

**Mr. Adit Gupta**  
*Joint Managing Director*

**Mr. Mahipal Ahluwalia**  
*Independent Director*

**Mr. Seshadri Ratnam**  
*Independent Director*

**Mr. Prabhat Krishna**  
*Independent Director*

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Joylin Jain (Till 18<sup>th</sup> July 2013)

### REGISTERED OFFICE

18, Pusa Road, 1<sup>st</sup> Floor, Karol Bagh, New Delhi-110 005  
Tel.: 91-11-46830202  
Fax : 91-11-28753591 Email : amdgroup@amdindustries.com  
Url : www.amdindustries.com

### MANUFACTURING UNITS

- 1) C-4&C-5, Site 3, Meerut Road, Indl. Area, Ghaziabad, Uttar Pradesh
- 2) SP-32, RIICO Ind. Area, Neemrana, Rajasthan

### SUBSIDIARY COMPANIES

- 1) AMD Estates & Developers Pvt. Ltd.
- 2) Prime Techno Build Pvt. Ltd.

### BANKERS

- 1) State Bank of India
- 2) Punjab National Bank
- 3) Union Bank of India
- 4) Kotak Mahindra Bank
- 5) Central Bank of India

### STATUTORY AUDITORS

Suresh & Associates,  
Chartered Accountants,  
3A, Bigjos Tower, Netaji Subhash Place,  
Pitam Pura, Delhi - 110 034

### INTERNAL AUDITORS

B.L. Khandelwal & Co.  
Chartered Accountants  
1, Doctor's Lane, Gole Market  
New Delhi-110 001

### LEGAL COUNSELS

Mr. Dinesh Kumar Gupta, Advocate  
C-58, Vivek Vihar, Phase - I  
New Delhi - 110095

### SECRETARIAL AUDITORS

M/s AGG & Associates  
Company Secretaries  
21/16, 2<sup>nd</sup> Floor, West Patel Nagar  
New Delhi - 110008

### REGISTRAR & SHARE TRANSFER AGENTS Bighshare Services Pvt. Ltd.

#### Head Office

E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka, Mumbai - 400 072  
Tel. : +91-22-28470652 Fax: +91-22-28525207

#### Branch Office (Delhi)

4-E/8, First Floor, Jhandewalan Ext., New Delhi-110055  
Tel. : 011-2352237

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## DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors are pleased to present the 30<sup>th</sup> Annual Report together with audited accounts for the financial year ended 31<sup>st</sup> March 2013.

### Financial Results

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2013 is summarized below:

### OPERATIONS REVIEW

(Rs. in Lacs)

Particulars	Financial Year 2012-13	Financial Year 2011-12
Net Sales/Income from Operation (net of excise duty)	15374.15	17643.14
Other Operating Income	320.22	557.63
Other Income	132.00	69.07
<b>Total</b>	<b>15826.37</b>	<b>18269.84</b>
Profit from operations before Financial Costs, Depreciation, Exceptional Items & Tax Expenses	2064.29	2631.44
Financial Costs	1010.32	1073.46
Profit before Depreciation, Exceptional Item & Taxation	1053.97	1557.99
Depreciation	827.90	762.53
Profit before Exceptional Items and Tax Expenses	226.07	795.45
Exceptional Items	.09	241.43
Profit before Tax	226.16	1036.89
Less: Tax Expenses	67.13	386.57
<b>Net Profit for the year / Amount available for Appropriation</b>	<b>159.03</b>	<b>650.32</b>
<b>Appropriations:</b>		
<b>General Reserve</b>	<b>Nil</b>	<b>Nil</b>
<b>Dividend on Equity Shares</b>	<b>172.50</b>	<b>191.67</b>
<b>Tax on Dividend</b>	<b>27.98</b>	<b>31.09</b>
<b>Balance Carried to Balance Sheet</b>	<b>-41.45</b>	<b>427.56</b>
<b>TOTAL</b>	<b>159.03</b>	<b>650.32</b>

### Packaging Business:

During the year under review your Company registered a total turnover and other income of Rs. 15826.37 Lacs as compared to previous year's turnover and other income of Rs. 18269.84 Lacs a decline of 13.37% over the previous year. The Company registered a Profit before Financial Costs, Depreciation & Taxation of Rs. 2067.49 Lacs (excluding income from exceptional items) as compared to Rs. 2631.44 Lacs (excluding income from exceptional items) recording a decline of 21.43% (approx.), whereas Net Profit at Rs. 162.23 Lacs as compared to Rs. 650.32 Lacs the previous year, which shows a decrease of 81.28% (approx.). The decline in profits is due to rise in production costs, mainly rise in power and fuel costs, further the conversion rate also did not match with the such hike. The decline in the sales has effected due to sharp decline in export, which in turn has eroded heavily the profits of the year. This decline is mainly in the export of Crown Caps from 94062.49 cases in 2011-12 to 22083.32 cases in 2012-13.

### Textile Business:

The market scenario for the textile industry in the country as a whole remained continuously discouraging. The Company remained on the same policy of putting on hold the Textile project.

### Real Estate Business:

The real estate market of the country has been showing stagnant growth. Development of Commercial Complex on the land of Company's subsidiary AMD Estates & Developers Private Limited situated at Sector-114, Gurgaon, Haryana has been started, in which Company also holds interest, which is being carried out by VSR Infratech Private Limited, New Delhi under the Collaboration Agreement for the said development.

### DIVIDEND

Despite of fact of Company's inadequate profits for the financial year 2012-13, as a policy of the Company, your Directors are pleased to recommend a dividend of Re. 0.90 (Ninety Paise Only) per equity share of face value of Rs. 10/- each for the financial year 2012-13, which shall be paid out of reserves of the Company created out of profits of the previous years in accordance with the provisions of the Companies (Declaration of Dividend out of Reserves) Rules, 1975. The

dividend, if approved and declared at the ensuing Annual General Meeting will be paid to those shareholders whose name shall appear on the register of members of the Company as on the date of Book Closure to be notified.

### FIXED DEPOSITS

During the financial year 2012-13, your Company has not invited or accepted any deposits from the public within the meaning of provisions of Section 58A of the Companies Act, 1956.

### MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has put in efforts and strengthened its place in terms of Country's share for providing packaging range to the soft drinks and other beverages industry. Company's plants at both the places, i.e. at Ghaziabad, Uttar Pradesh and Neemrana, Rajasthan, are in operations.

Your Company continued catering to the packaging needs of Beverages Industry of the country by way of supplying packaging for carbonated soft drinks (CSD), mineral waters, beer etc. Major chunk of Company's supply remained to beverages Industry which is growing at about 18% per annum and alcoholic beverages industry mainly beer which is growing at a rate of about 10% per annum. The Company is looking to new market segments such as fruit juices, milk products, edible oil etc. and other cosmetics items which is slowly moving to packaging items remained the same and your Company is capable of manufacturing of those packaging. Your Company therefore, expects development of new market segments in the years to come and making continuous efforts in that direction.

Due to adverse market scenario of Textile Industry in India, the project undertaken by the Company for setting up of integrated Textile Unit at Distt. Haridwar, Uttarakhand has continued to be kept on hold for the time being.

The real estate sector has been showing stagnant growth for some time now. The development of commercial complex at the land of Company's subsidiary AMD Estates & Developers Private Limited situated at Sector 114, Gurgaon, Haryana for which the said subsidiary had entered into a collaboration agreement with VSR Infratech Private Limited, has been started and is progressing slowly in which Company holds interest.

### INDUSTRY SECTORS

#### PACKAGING

The packaging industry supplying packing solutions to beverages industry are mainly divided into two formats viz., PET Bottles and Glass Bottles.

PET Bottles are also divided into two segments such as Plastic Closures and PET Preforms. Plastic Closures are mainly used in CSD PET Bottles for beverages, mineral water and juices. The requirements of closures with respect to design and quality depend upon the need of the end-user. PET Bottles required by the Beverages Industry are being manufactured & supplied by the Packaging Industry in Preform shapes and being blown-up at the time of filling beverages. Various other end-users have also started using plastic bottles as packaging medium. The usage of PET Bottles shows an increasing trend in products like edible oil, personal care products, pharmaceuticals and confectioneries. The usage of PET Bottles in Alcoholic Beverages Industry is also on the rise.

Glass bottles used as a packaging item requires crown caps as closure. Your Company manufactures Crown Caps which are mainly used as metallic closures for various edible items packed in glass bottles e.g. Carbonated Soft Drinks, Beer, Juices, Sauces, Ready-to-drink Milk products etc.

#### REAL ESTATE

The Real Estate market is mainly divided into two zone one is the residential and the other is commercial. Your company possesses interest in Commercial land.

#### OUTLOOK

#### PACKAGING

The Overall Beverage Packaging Industry is growing at over 12% per annum. The continued trend of shifting customer base from glass bottles to PET Bottles is being seen in a positive note.

#### Segment Wise/ Product Wise Review

#### CROWNS CAPS

The use of glass bottles has been seen steady or little bit de-growth whereby the use of Returnable Glass Bottle (RCB) has been seen in reducing trends. Due to which crown market has been recording a sharp negative growth as a packaging item. In order to offset this, your Company is making vigorous efforts to explore the export market. Though the export has declined sharply in this year, the efforts are being continued to increase the share of exports by finding new markets abroad.

However, AMD remained one of the dominant players in the crown caps market having approx. 15% market share during the year under review. The Company expects the increase in sales in domestic market in year to come.



# AMD Industries Limited



## PLASTIC CLOSURES

The plastic closure market has been continuously getting its momentum due to increased usage of PET Bottles. The organized market is still dominated by the CSD but it is expected that other usage will also form significant share of the over all market.

The demand of plastic closures will increase in segments where PET Bottles are gaining foothold as packaging media like water, juices, edible oil etc.

## PET PREFORMS

With the expansion of putting up of one line of Preform at works at Neemrana, Rajasthan the Company's market share in PET Preform market has also increased and after its successful start, the Company has planned to install 6<sup>th</sup> PET Preform line at its same works and expect to install the same by the mid of June, 2013 which will further strengthen the production, but due to having seasonal nature of the business the growth will be reflected in 2014. It will further increase the productions capacity of the Company. The packaging Industry in PET segment has been growing by over 15-20%.

## Risk and Concerns

### PACKAGING

Increase in raw material cost and pressure on margins have a bearing on the profitability of packaging industry in totality. The Company is likely to be affected by change in governmental policies related to usage of end products.

However, the Company has established itself as quality supplier to its clients and is accepted as reliable player in the industry thereby not only retaining its base but increasing it as well.

### Adequacy of Internal Control Systems

The Company has adequate internal control system commensurate with the size of the company. The Company has appointed M/s B.L. Khandelwal & Co., Chartered Accountants, New Delhi, as the Internal Auditor of the Company to carry out the internal audit of the activities of all the divisions of the Company at regular intervals. Their audit reports along with action taken reports thereon are reviewed by the Audit Committee of Directors.

### Material Development in Terms of Human Resources

Human Resources are considered to be a form of capital and wealth of the Company. It has been the focus of the management to improve and expand the contribution of its human resources towards attainment of organizational goals and values. The growth of the Company and improvement in the systems has been sustained by the active involvement of the employees with the Management. The technical expertise of the Management has been shared with the employees at the works, which keeps them motivated to meet and surpass the set targets.

### Cautionary Statement

Statement in the Management Discussion & Analysis, describing the Company's objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable laws and regulations.

Actual results may vary from those expressed or implied, depending upon the economic conditions, Government policies and other incidental factors.

## DIRECTORS

Mr. Harswarup Gupta, Executive Chairman (WTD) of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Seshadri Ratnam, Independent Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- that in the preparation of Annual Accounts for the financial year 2012-13, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- that the directors have selected such accounting policies and applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and of the profit or loss of the Company for that period;
- that the directors had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing & detecting the fraud and other irregularities;
- that the directors had prepared the Annual Accounts for the financial year 2012-13 on a "going concern basis".

## CORPORATE GOVERNANCE REPORT

Your Company reaffirms its commitment to the good corporate governance practices. A detailed report on the Corporate Governance as required pursuant to Clause 49 of the Listing Agreement forms part of the Annual Report. Certificate from the Auditors of the Company, confirming compliance of conditions of Corporate Governance as stipulated under the Clause 49, is annexed to this Report.

## AUDITORS

The Statutory Auditors of the Company M/s. Suresh & Associates, Chartered Accountants, New Delhi retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Statutory Auditors of the Company, if reappointed. The Audit Committee and the Board of Directors recommend to the shareholders for their approval the appointment of M/s. Suresh & Associates, Chartered Accountants, as the Statutory Auditors of the Company for the financial year 2012-13.

## AUDIT OF COST ACCOUNTING RECORDS

Pursuant to the Order No. F No. 5/26/CAB-2010 dated 24<sup>th</sup> January, 2012 of Ministry of Corporate Affairs, GOI, which made it mandatory for the Company to get its Cost Accounting Records audited, for each financial year w.e.f. 01<sup>st</sup> April, 2012, by a Cost Accountant holding valid certificate of practice as such, the Company has appointed M/s Aggrawal Ashwani K. & Associates, Cost Accountants, New Delhi for carrying out the audit of cost accounting records of the Company for F.Y. 2012-13. The Cost Auditors are required to submit their report with the Central Government within 180 days from the end of respective financial year with a copy of the same to be provided to the Company. For the F.Y. 2012-13 the Cost Audit Report filing due date is 30<sup>th</sup> September, 2013. Since the said financial year is the first year for the audit of the Cost Accounting Records of the Company and submission of the Cost Report by the Cost Auditor, the report for the same yet to be filed.

## SUBSIDIARY COMPANIES:

The Ministry of Company Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8<sup>th</sup> February, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, as required under section 212, subject to the fulfillment of certain conditions by the Company. Further as required under the said Circular, the Company undertakes that the annual accounts of its subsidiary companies and the related detailed information shall be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the Head Office of the Company at Delhi and of subsidiary companies concerned.

As required in the above said Circular and the current listing norms, Consolidated Financial Statements of the Company and its subsidiaries are being published in the current year's Annual Report.

## DE-SUBSIDIARISATION OF AMD ESTATES & DEVELOPERS PVT LIMITED:

The real estates sector has been showing stagnant growth for some time. The Directors has decided to unlock the funds so invested in the equity shares of its subsidiary AMD Estates & Developers Pvt. Ltd. by sell off of the same. The funds so unlocked would be utilized in easing out the funds liquidity problem of the Company and partially in retiring company's debt which in turn will reduce to some extent the financial costs of the Company thereby increase profits or for such other purposes as the directors may decide in the best interest of the Company and its shareholders.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

### A. Conservation of Energy

Energy conservation, wherever possible, is being implemented. However, continuous efforts to conserve and optimize the use of energy through improved operational methods and other means have always been the endeavour of the Company to implement.

### B. Technology Absorption

The Company believes that technological obsolescence is practical reality. Our research and development activities will help us gear for future opportunities. We invest and encourage continuous innovation.

### C. Foreign Exchange Earning & Outgo

Company has been continuously making efforts to increase its export. During the year under consideration, the Company has used Foreign Exchange equivalent to Rs.3926.18 Lacs (previous year Rs 4842.84 Lacs) and earned Foreign Exchange equivalent to Rs. 1284.27 Lacs (previous year Rs. 3494.40 Lacs).

## PARTICULARS OF EMPLOYEES

A list of the employees of the Company who were in receipt of the such remuneration during the financial year 2012-13 which requires to be disclosed in this report under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended upto date is annexed herewith as Annexure-I.

## ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation of the cooperation and support extended by the Shareholders, Bankers, Financial Institutions, Government Departments, Regulatory Bodies, Customers and other Business Constituents during the year under review.

Your Directors wish to place on record their appreciation for the committed services of the executives, staff and workers of the Company.

On behalf of the Board of Directors

Place: New Delhi  
Date: 28<sup>th</sup> May, 2013

Harswarup Gupta  
Chairman



**Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975,**

**A Employed throughout the year and in receipt of remuneration aggregating Rs. 60,00,000/- or more per annum for F.Y. 2012-13**

Name	Designation	Qualifications	Remuneration (Rs.)	Experience (Years)	Date of Appointment	Age (Years)	Last Employment held (Employer/Designation)
1 Sh. Ashok Gupta	Managing Director	B.Sc. (Hons.)	75,15,575	34	17-12-1983	60	Own business
2 Sh. Harswarup Gupta	Executive Chairman	Graduate	73,17,954	51	17-12-1983	84	Own business
3 Sh. Adit Gupta	Jt. Managing Director.	B.Sc.(Chemical Engg.) & MBA (Finance)	68,48,834	13	14-11-2005	34	N.A.

**B Employed for the part of the year and in receipt of remuneration aggregating Rs. 5,00,000/- or more per month.**

Name	Designation	Qualifications	Remuneration (Rs.)	Experience (Years)	Date of Appointment	Age (Years)	Last Employment held (Employer/Designation)
			N.A.				

**Notes**

1. Sh. H.S. Gupta, Shri Ashok Gupta and Sh. Adit Gupta are related to each other.
2. None of the Employees except Sh. Harswarup Gupta, Sh. Ashok Gupta, and Sh. Adit Gupta holds more than 2% equity Shares of the Company.
3. Remuneration includes salary, allowance, commission and monetary value of all perquisites as valued under Income Tax Rules, 1962.
4. Nature of Employment in all cases is on contractual basis except in case of Directors, whose terms have been approved by the Shareholders.
5. All the employees have adequate experience to discharge the responsibilities assigned to them and their designations are indicative of their nature of duties.

For and on behalf of the Board

Harswarup Gupta  
Chairman