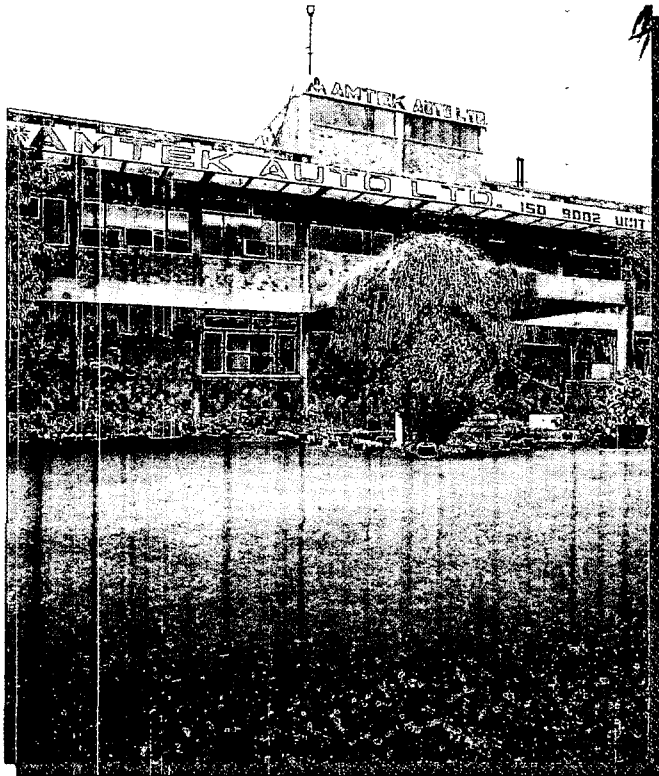


The Strength Of Precision Engineering In Auto Components

**12th ANNUAL REPORT
1997-98**



AMTEK AUTO LIMITED

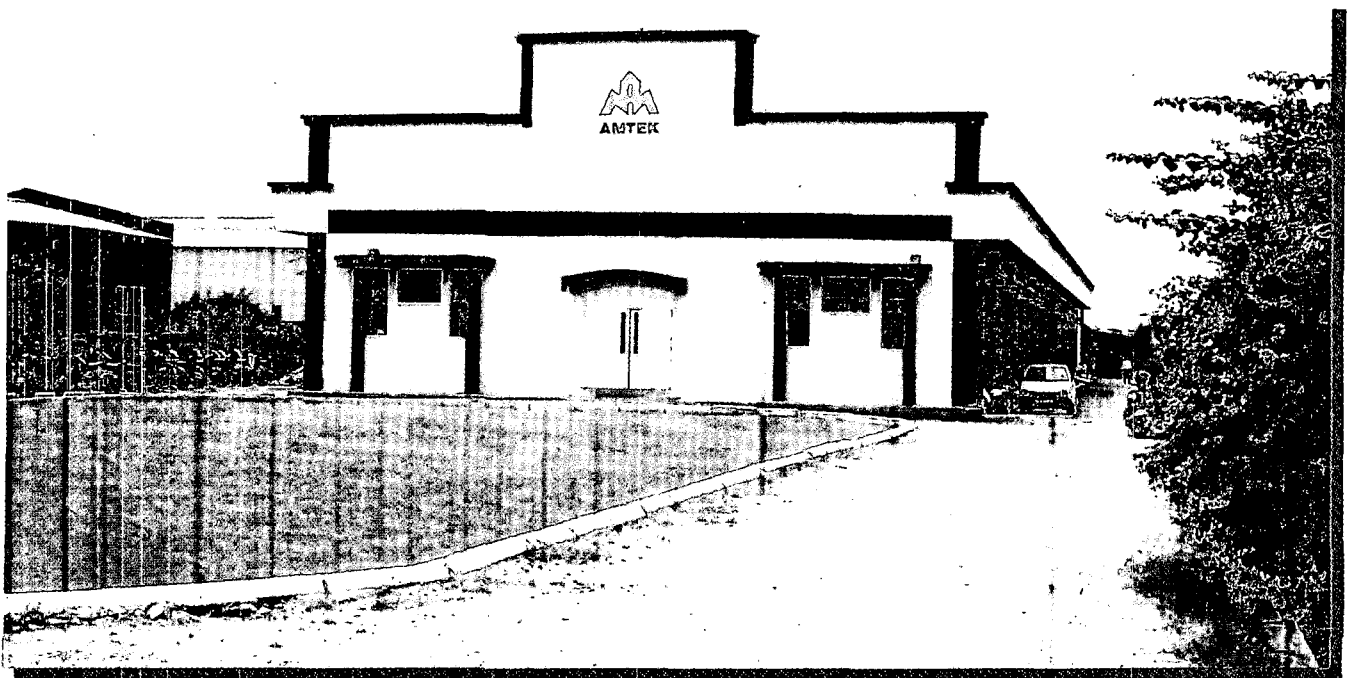


AMTEK AUTO LIMITED (UNIT I)



AMTEK AUTO LIMITED (UNIT II)

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AMTEK AUTO LIMITED (UNIT III)



MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	OPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	INV	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>	SHL	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

AMTEK AUTO LIMITED

12th Annual Report 1997-98

BOARD OF DIRECTORS

Shri Arvind Dham	<i>Managing Director</i>
Shri N.K. Gupta	<i>Nominee Director</i>
Shri J.S. Pal	<i>Nominee Director</i>
Shri B. Lugani	<i>Director</i>
Shri Rajiv Thakur	<i>Director</i>
Shri Sanjay Chhabra	<i>Director</i>
Smt. Anita Dham	<i>Director</i>

Registered Office & Works (Unit-I)

Plot No. 16, Industrial Estate,
Rozka-Meo (Sohna),
Distt. Gurgaon (Haryana).

Unit-II

Begumpur Khataula,
P.O. Khandsa, Distt. Gurgaon,
Haryana.

Unit-III

Vill. Mohammadpur Jharsa,
Distt. Gurgaon (Haryana).

Corporate Office

4, Bhanot Apartments,
Local Shopping Centre,
Pushp Vihar,
New Delhi-110062.

Auditors

M/s S. Bhasin & Company
Chartered Accountants

Company Secretary

Shri Rakesh Vij

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NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Company will be held as under:-

DAY : Wednesday
 DATE : 30th September, 1998
 TIME : 9.30 A.M.
 VENUE : Plot No. 16, Industrial Estate, Rozka-Meo, Sohna, Distt. Gurgaon (Haryana)

to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditor's Report thereon.
2. To appoint a Director in place of Mrs. Anita Dham who retires by rotation and being eligible offers herself for re-appointment.
3. To declare dividend.
4. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-
 " RESOLVED THAT Mr. B. Lugani be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement by rotation. "

By Order of the Board
 for **AMTEK AUTO LIMITED**

Place : New Delhi-

Dated : 28th August, 1998

ARVIND DHAM
 Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy form duly completed, signed and stamped should reach the Company's Office atleast 48 hours before the time of the meeting.
3. The Register of Members and the Share Transfer Books will remain closed from 18th September, 1998 to 30th September, 1998 (both days inclusive).
4. The dividend, if declared at the Annual General Meeting, shall be paid to those shareholders whose names appear in the Register of Members as on 30th September, 1998.
5. Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the resolution set out under item No.5 is annexed hereto.
6. All documents referred to in the notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M.

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

ITEM NO. 5

Mr. B. Lugani, being additional director, vacates office on date of ensuing Annual General Meeting. The company has received representation from one of the members expressing his intention to propose Mr. B. Lugani for the office of Director as required under Section 257 of the Companies Act, 1956. Your Directors recommend the appointment of Mr. B. Lugani as director of the Company and request the shareholders to pass the above resolution.

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

By Order of the Board
 for **AMTEK AUTO LIMITED**

Place : New Delhi

Dated : 28th August, 1998

ARVIND DHAM
 Managing Director



DIRECTORS' REPORT

To
The Members,
Amtek Auto Limited

Your Directors have pleasure in presenting the Twelfth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

PARTICULARS	CURRENT YEAR 1997-98	PREVIOUS YEAR 1996-97
Sales and other Income	5675.55	4473.81
Less :		
Expenditure	4641.68	3640.07
Gross Profit Before Depreciation	1033.87	834.74
Less : Depreciation	360.21	189.99
Profit Before Tax	673.66	643.75
Less : Provision for Taxation	70.73	59.12
Net Profit after Tax	602.93	584.63
Accumulated Profit B/F	173.63	660.51
APPROPRIATIONS:		
General Reserve	660.01	996.11
Proposed Dividend	69.11	68.54
Dividend Tax	6.91	6.86
Net Profit Transferred to Balance Sheet	40.46	173.63

During the year under review, the company has posted a turnover of Rs.56.76 Crores reflecting an increase of above 26% over the previous year figure of Rs.46.42 Crores, Cash profit has been recorded at Rs.9.63 crores as against previous year's figure of Rs.7.75 Crores reflecting an increase of 24%. The reserve position of the company stands at Rs.3167 lacs.

DIVIDEND

Considering the excellent growth in turnover and profits your Directors recommend dividend @ 20% for the year ended 31st March, 1998, payable on pro-rata basis on the equity share capital of the company.

OPERATIONS

During the year under review, your company has improved its performance and continues to sustain its growth inspite of the slow down in the automobile sector, which has mainly hit HCV and LCV sector, where the volumes of the company were negligible. It is a matter of great pleasure that your

company has been able to translate its vision into reality and has achieved path breaking success which can be attributed to relentless efforts of the management and labour team, continuous stress on research and development, rigorous cost cutting measures, carefully planned strategies such as modernisation, backward integration etc. and a common vision shared by all. You shall be glad to know that Amtek Auto Ltd., the market leader in the country in its class of components has crossed all geographical barriers and has emerged as a strong global player in the highly rewarding international market too. With all the plants accredited with ISO 9002 certification, your company boasts of meeting the stringent international quality control parameters. With competitive cost advantage your company has an edge over other players in the field. Your company which has successfully made a dent in the international market is proudly dealing with almost all the automobile giants on the globe such as Mercedes Benz (Germany), FIAT (Italy), John Deere (France) etc. The company is expanding its production capacities in order to meet the growing demand for its products.

HUMAN RESOURCE DEVELOPMENT

Your Company has always considered its employees as the most important asset and it believes in building competitive skills in them. It has always endeavoured to keep pace with the international trends, be it the latest manufacturing technology or HRD techniques. In view of the fast changing workplace norms, your Company intends to introduce variety of training programmes on skill building, personal effectiveness and a host of attitudinal and behavioural traits.

FIXED DEPOSITS

Your directors are pleased to inform you that during the year, CARE, the credit rating agency has upgraded the rating of fixed deposit programme of your Company from AA-(double A minus) to AA (double A). According to CARE, AA rating is judged to be a high quality rating by all standards and instruments carrying it are placed in the high investment grade.

During the year, the company continued to accept deposits under Section 58-A of the Companies Act, 1956. The fixed deposit schemes of your company have received encouraging response from the depositors. Your directors express their gratitude for the confidence reposed by the investors. Your company has always endeavored to provide prompt service and personalised attention to the depositors.

DIRECTORS

Mrs. Anita Dham retires at the ensuing Annual General



Meeting and being eligible offers herself for re-appointment.

Mr. B. Lugani, being additional director, vacates office on the date of the ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 from one of its members proposing the appointment of Mr. Lugani as Director of the Company. Considering the vast experience of Mr. Lugani in the field of taxation, finance & Company Law, the Board recommends his appointment as rotational director.

AUDITORS

M/s S. Bhasin & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

Necessary certificate pursuant to Section 224(1B) of the Companies Act, 1956 has been received from the Auditors.

The observations of the auditors are self explanatory.

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

The manufacturing process of the company is not energy

intensive, still the company constantly endeavours to cut down energy consumption and utilise energy in an optimum manner.

The report required under section 217(1)(e) of the Companies Act, 1956 is annexed.

PARTICULARS OF EMPLOYEES

Particular of employees under section 217(2A) are enclosed as a separate annexure.

INDUSTRIAL RELATIONS

During the year under review, the relations between the Management and the workmen were highly cordial.

ACKNOWLEDGEMENT

Your Directors wish to place on record the sincere and dedicated efforts of all the members of the Company's team which has made it possible to achieve excellent growth. Your Directors also take this opportunity to offer their sincere thanks to the Financial Institutions, Banks and other Government Agencies, our valued customers and the investors for their continued support and assistance.

Place : New Delhi
Date 28th August, 1998

BY ORDER OF THE BOARD
for AMTEK AUTO LIMITED

ARVIND DHAM
Chairman

ANNEXURE TO THE DIRECTORS' REPORT 1997-98

A. STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES AS AMENDED TO DATE.

EMPLOYED THROUGH OUT THE FINANCIAL YEAR:

S.No.	Name of the Employee	Designation (Nature of Duties)	Qualification	Experi- ence (Yrs.)	Date of commence- ment of Employment	Remune- ration Received (Rs.)	Age (Yrs.)	Last employ ment held and Designation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Sh.Arvind Dham	Managing Director	B.Arch. MBA	13	1.7.86	13,44,000	38	Satlaj Const. Co.Ltd., Director

EMPLOYED FOR PART OF THE YEAR

NIL

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B. INFORMATION REQUIRED UNDER SECTION 217(I) (e) OF THE COMPANIES ACT, 1956.
I. Research & Development (R & D)

- | | | |
|--|---|--|
| a) Specific area in which (R & D) carried out by the company | : | i) Process design.
ii) Design of new fixtures & tools. |
| b) Benefits derived as a result | : | 1. Reduction in process time.
2. Higher productivity.
3. Consistant quality. |
| c) Future plan of action in manufacturing process & operation. | : | To infuse more automation |

II. Technology Absorption:

- | | | |
|--|---|--|
| a) Efforts in brief towards technology absorption | : | The company is in the process of implementing technical changes & process designs being advised by the company's collaborator: Aizen Co.Ltd., Japan. |
| b) Benefits derived as a result of the above efforts e.g. product | : | i) Cost reduction due to savings in raw material, dies & moulds and power & fuel.
ii) Increased productivity and better quality. |
| c) In case of imported technology (import during the last 6 years reckoned from beginning of the financial year) | : | Technology in the form of drawings and designs have been imported and is being worked upon. |

III. Foreign Exchange Earnings & Outgo :

Foreign Exchange earned	:	Rs. Nil
Foreign Exchange used	:	Rs. 61,31,706/-

IV. Conservation of Energy :

Current Year	Previous Year
--------------	---------------

A. Power & Fuel Consumption:
1. Electricity Purchased

Units	12,96,672	6,95,888
Total Amt.	57,96,122	27,55,716
Rate/Unit	4.47	3.96

2. Own Generation through
Generator

Units	12,90,180	11,65,719
Units/Ltr.	2	2
Rate/Unit	4.47	4.11

B. Consumption per unit of production Prodcuts

Auto Components	5256069	4122537
Cost/Pc.	2.20	1.83

AUDITOR'S REPORT

To

The Members

Amtek Auto Limited,

We have audited the attached Balance Sheet of **M/s Amtek Auto Limited**, Gurgaon as on 31st March, 1998 and also the annexed Profit and Loss Account of the Company for the Year ending on that date and report that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- iv. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes there on, give the information required by the Companies Act, 1956 and also give a true and fair view, in the case of Balance Sheet, of the state of affairs of the Company as at 31st march, 1998 and in the case of Profit & Loss Account, of the Profit for the year ended on that date.
- v. As required by the Manufacturing and other Companies (Auditor's Report) Order 1988 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further report that:
 1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As confirmed by the company, the fixed assets have been physically verified by the management, during the year. No serious discrepancies were noticed on such verification.
 2. The fixed assets have not been revalued during the year.
 3. The management has conducted physical verification at reasonable intervals in respect of finished goods, stores, spare parts and raw materials.
 4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 5. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
 6. In our opinion the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. The basis of valuation of stocks is the same as in preceding years.
 7. The Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the registers maintained under Section 301 and 370 (1B) of the Companies Act, 1956.
 8. The Company has not granted unsecured loans to Companies, firms or other parties listed in the registers maintained under section 301 and 370(1B) of the Companies Act, 1956.
 9. In respect of loans and advances given by the Company during the year, there are no stipulations for repayment of principal or any interest thereon as per verification of records produced before us and as confirmed by the management.
 10. In our opinion, the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
 11. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction of purchase of goods and materials and sale of goods, materials and services in excess of Rs. 50,000/- in values in pursuance of contracts or arrangements entered in the register(s) maintained under Section 301 of the Companies Act, 1956. The Company has no subsidiary.
 12. The company has a system for the determination of unserviceable or damaged stores, raw materials or finished goods and in our opinion adequate provisions for the loss have been made in the accounts.
 13. In our opinion and according to the information and explanation given to us, the company has complied with