

**13th
ANNUAL
REPORT
1998-99**





AMTEK AUTO LIMITED

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1998-99

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).

Auditors

M/s N. K. Bhat & Associates
Chartered Accountants

Company Secretary

Shri Rakesh Vij

Bankers

Corporation Bank
Connaught Circus
New Delhi-110 001

Corporate Office

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

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AMTEK AUTO LIMITED

NOTICE

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

Day : Thursday
 Date : 30th September, 1999
 Time : 9.30A.M.
 Venue : Plot No. 16, Industrial Estate, Rozka Meo, Sohna, Distt-Gurgaon (Haryana)

to transact the following ordinary business:

1. To consider and adopt the Audited Balance Sheet of the Company as on 31st March, 1999 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditor's Report thereon.
2. To declare dividend.
3. To appoint a director in place of Mr. Rajiv Thakur who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration.

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

Place : New Delhi
 Dated : 28th August, 1999

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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly completed, stamped and signed 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 22nd September, 1999 to 30th September, 1999 (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, 1999.

AMTEK AUTO LIMITED



DIRECTORS' REPORT

To
The Members,
Amtek Auto Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS

	Year Ended 31.3.99	(Rs. in Lacs) Year Ended 31.3.98
Sales & other Income	6598.74	5675.55
Less : Expenditure	5305.56	4641.68
Gross Profit	1293.18	1033.87
before Depreciation		
Less : Depreciation	590.86	360.21
Profit before Tax	702.32	673.66
Less : Provision for Tax	42.23	70.74
Net Profit after Tax	660.09	602.92
Accumulated Profit B/F	40.46	173.63
Amount available for appropriation	700.55	776.55
Appropriations :		
General Reserve	70.35	660.07
Preference Dividend	77.88	---
Proposed Dividend on Equity Shares	98.54	69.11
Dividend Tax	17.64	6.91
Net Profit Transferred to		
Balance Sheet	436.44	40.46
	700.55	776.55

PERFORMANCE

During the year under review, your Company has posted a turnover of Rs. 65.99 Crores reflecting an increase of more than 16% over the previous year figure of Rs. 56.76 Crores. Cash profit has been recorded at Rs. 12.51 Crores as against previous year's figure of Rs. 9.63 Crores reflecting an increase of 30%. As on 31st March, 1999, Company's Reserves stand at a healthy figure of Rs. 3632.88 Lacs which is seven times more than its equity share capital. The Earning Per Share (EPS) works out to Rs. 13.40.

DIVIDEND

Considering the growth in turnover and profits your directors recommend a dividend @ 20% for the year ended 31st March,

1999, payable on the equity share capital of the company
OPERATIONS AND FUTURE OUTLOOK

Despite a general slowdown in the automobile sector your Company continued to improve its performance and sustain growth. During the year under review your Company has achieved encouraging results which can be attributed mainly to Company's full-fledged entry into Two Wheelers, Light Commercial Vehicle (LCV) and Tractor Segment. During the year, your Company has added few more products to its existing product range which now stands at more than 50 components.

The Indian automobile market has started looking up with encouraging sales figures and with this the auto ancillary industry is on a growth track. This has resulted in a quantum jump in the demand for your Company's Products. To capitalise on the favourable scenario your Company has plans to expand its production capacity very shortly. Apart from this, there is immense potential for its products in the replacement market which has become quite active recently. On the back of better demand from automobile sector, the Directors expect your Company to come up with impressive performance and envisage a very promising future.

DIRECTORS

Mr. Rajiv Thakur retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

LISTING AT STOCK EXCHANGES

Company's Equity shares are listed on the following Five Stock Exchanges in India :-

1. **The Delhi Stock Exchange Association Ltd.**
West Plaza, Indira Gandhi Stadium
Indraprastha Estate, New Delhi-110 002
2. **The Stock Exchange, Mumbai**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001
3. **National Stock Exchange of India Ltd.**
Trade World, Senapati Bapat Marg,
Lower Parcel, Mumbai-400 013
4. **The Ludhiana Stock Exchange Association Ltd.**
Feroze Gandhi Market, Ludhiana-141 001
5. **Madras Stock Exchange Ltd.**
Exchange Building,
11, Second Line Beach, Chennai-600 001

The Company has paid the annual listing fee to the Stock Exchanges for the year 1998-99.



AMTEK AUTO LIMITED

AUDITORS

M/s N.K. Bhal & Associates Chartered Accountants, the Auditors of Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment.

FIXED DEPOSITS

During the year, the Company accepted Fixed Deposits under Section 58A of the Companies Act, 1956. However it has been decided to gradually discontinue the Fixed Deposit Scheme.

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

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

Y2K COMPLIANCE

All the systems installed in the Company are Y2K compliant and the Directors do not envisage any risk to production or other function due to Y2K problem.

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 enabled the Company to perform consistently. Your Directors also take this opportunity to offer their sincere thanks to Financial Institutions, Banks and other Government Agencies, our valued customers and the investors for their continued support and assistance.

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BY ORDER OF THE BOARD
for AMTEK AUTO LIMITED

Place : New Delhi
Date : 28th August, 1999

ARVIND DHAM
Chairman

ANNEXURE TO THE DIRECTORS' REPORT 1998-99

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	Experience (Yrs.)	Date of Commencement of Employment	Remuneration Received (Rs.)	Age (Yrs.)	Last employment held and Designation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Sh. Arvind Dham	Managing Director	B.Arch. MBA	14	1.7.86	13,44,000	39	Satlay Const Co. Ltd. Director

EMPLOYED FOR PART OF THE YEAR

Nil

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AMTEK AUTO LIMITED



B. INFORMATION REQUIRED UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956.

I. Research & Development (R & D)

- | | |
|--|--|
| a) Specific area in which (R & D) Carried out by the company | i) Product design and development.
ii) Process design and improvement for various products.
iii) Design of new fixtures & tools. |
| b) Benefits derived as a result of above R & D | 1. Reduction in process time.
2. Higher Productivity.
3. Consistent quality. |
| c) Future plan of action in manufacturing process & operation. | To achieve better yield by way of cost reduction through higher level of automation. |

II. Technology Absorption :

- | | |
|---|--|
| a) Efforts in Brief towards technology absorption | The Company has implemented technical changes & process designs with the assistance of Company's collaborator : Aizen Co. Ltd., Japan. |
| b) Benefits derived as a result of above efforts e. g. product improvement, cost reduction, product development, import substitution etc. | i) Cost reduction due to saving 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 the beginning of the financial year) | Technology in the form of drawings and designs have been imported. |

III. Foreign Exchange Earnings & Outgo :

Foreign Exchange earned	Rs. Nil
Foreign Exchange used	Rs. 46,35,170/-

IV. Conservation of Energy :

	Current Year	Previous Year
A Power & Fuel Consumption :		
1. Electricity Purchased		
Units	18,41,141	12,96,672
Total Amt.	76,22,324	57,96,122
Rate/Unit	4.14	4.47
2. Own Generation through Generator		
Units	13,90,490	12,90,180
Units/Ltr.	2.70	2
Rate/Unit	6.03	4.47
B. Consumption Per Unit of production		
Auto Components	7116803	5256069
Cost/Pc.	2.25	2.20



AMTEK AUTO LIMITED

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, 1999 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 thereon, 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, 1999 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, 1998 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 Co., 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 Material.
 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 (IB) 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 (IB) 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 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