AMTEK AUTO LIMITED

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23rd ANNUAL REPORT

2008 - 2009

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AMTEK AUTO LIMITED

23rd ANNUAL REPORT 2008 – 2009

Board Of Directors

Mr. Arvind Dham	*Chairman & Director*
Mr. D.S. Malik	*Managing Director*
Mr. Rajeev Thakur	*Director*
Mr. Sanjay Chhabra	*Director*
Mr. B. Lugani	*Director*
Mr. B. Venugopal	*Director*
Mr. John Ernest Flintham	Director

Company Secretary
Mr. Rajeev Raj Kumar

Auditors
M/s Manoj Mohan & Associates
Chartered Accountants

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Regd. Office & Works (Unit-I)
Plot Not. 16, Industrial Estate,
Rozka-Meo (Sohna)
Distt. Gurgaon (Haryana).
Ph.: 0124-2362140
Tel/Fax: 0124-662454
e-mail: aall@amtek.com

Unit-II
Begumpur Khataula,
P.O. Khandsa, Distt. Gurgaon, Haryana.
Ph.: 0124-2373412
Fax: 0124-2373408
e-mail: amtekunit2@amtek.com

Unit-III
Vill. Mohammadpur, Jharsa,
Distt. Gurgaon (Haryana).
Ph.: 0124-2372152 Fax: 0124-2373410

Unit-IV
Village Malpura,
Dharuhera, Rewari, Haryana

Unit-V
Plot No. 1, Sector-II,
New Industrial Area,
Distt. Raisen
Mandideep-462046
Phone: 507053

Unit-VI
Plot No. 1, Industrial Area,
Dharuhera, Rewari,
Haryana

Unit-VII
Plot No. 53,
Sector III, Industrial Area,
IMT Manesar, Gurgaon (Haryana)

Unit-VIII
Gat No. 1074-1085
Sanaswadi Shikrapur Chakan Road,
Taluka Shirpur, Pune, Maharashtra

Unit-IX
Nalagarh, Distt. Solan (H.P.)

Unit-X
Ranjangaon, Pune, Maharashtra

Unit-XI
Plot No. 20, Phase-I, Indl. Area,
Dharuhera, Rewari, Haryana

Corporate Office
3, Local Shopping Centre,
Pamposh Enclave, G.K.-I,
New Delhi-110 048
Ph.: 011-42344444
Fax: 011-42344000
e-mail: info@amtek.com
web: http//:www.amtek.com

Bankers
Corporation Bank
Andhra Bank
Indian Overseas Bank

Registrar & Share Transfer Agent
Beetal Financial & Computer Services Pvt. Ltd.
Beetel House, 3rd Floor, 99, Madangir,
Behind L.S.C., New Delhi-110062
Tel.: 011-29255230, Fax : 011-29252146
E-mail: beetal@rediffmail.com

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NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the members of Amtek Auto Limited will be held at Plot No. 16, Industrial Estate, Rozka Meo, Sohna, Gurgaon (Haryana) on Thursday, 31st December, 2009 at 9.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June, 2009, the Audited Profit and Loss Account for the year ended on that date, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Rajeev Thakur, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

By order of the Board
For AMTEK AUTO LIMITED

Sd/-
(D. S. Malik)
Managing Director

Date : 02.12.2009
Place : New Delhi

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.**
3. All documents referred to in the notice 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.
4. The Register of Members and Share Transfer Book of the Company will remain closed from Monday, 28th December 2009 to Thursday, 31st December 2009 (both days inclusive) to decide the entitlement of Members for payment of dividend that may be declared at the Annual General Meeting.
5. Members are requested to furnish/update their Bank Account to the Company/Registrar & Transfer Agents/ Depository Participants to enable the Company to print the same on the dividend warrants/to avail of ECS facility, whatever applicable.
6. The members are requested to bring their copies of Annual Report to the Meeting as the same will not be redistributed at the venue of Annual General Meeting.
7. The Members attending the General Meeting are requested to bring the enclosed attendance slip and deliver the same after filling in their folio number at the entrance of the meeting hall. Admission at the Annual General Meeting venue will be allowed only after verification of the signature in the attendance slip. Duplicate Attendance Slip will be issued at the Registered Office of the Company upto a day preceding the day of Annual General Meeting.
8. Members who hold shares in de-materialised form are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
9. The dividend as recommended by the Board of Directors, if declared at this Annual General Meeting shall be paid on or before January 30, 2010.
   a. To those shareholders whose names appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Registrar & Transfer Agents (R&T Agents) of the Company on or before December 28, 2009.

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b. In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on December 27, 2009.

10. Pursuant to the provisions of section 205A (5) of the Companies Act, 1956, dividends for the financial year ended 31st March, 1995 and thereafter, which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and protection fund established by the Central Government. Shareholders, who have not en-cashed their dividend warrant(s) so far for the financial year ended 30th June, 2002 or any subsequent financial years, are requested to make their claim to the R&T Agents of the Company. According to the provisions of the Act, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.

11. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in form No. 2B in duplicate (which will be made available on request) to the R&T Agents of the company.

12. Electronic Clearing Services (ECS) facility

With respect to payment of dividend, the Company provides ECS facility to all members, holding shares in electronic/ physical forms. Members holding shares in the physical form who wish to avail ECS facility may furnish to the Company/ Registrar & Share Transfer Agents, with their ECS mandate in the prescribed form, which is available elsewhere in the Annual Report or can be obtained from the Registrar & Share Transfer Agents.

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED/ RE-APPOINTED

Name	**Mr. Rajeev Thakur**
Date of Birth	4th December, 1950
Qualification	Marine Engineer
Profession	Management Consultant
Expertise	Vast Experience in the field of Management Consultancy
Other Directorships	Grassik Consultants Pvt. Ltd.

By order of the Board
For AMTEK AUTO LIMITED

Sd/-
(D. S. Malik)
Managing Director

Date : 02.12.2009
Place : New Delhi

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DIRECTORS' REPORT

TO
THE MEMBERS,
AMTEK AUTO LIMITED

Your Directors take pleasure in presenting the 23rd Annual Report and the Audited Accounts of the Company for the financial year ended 30th June 2009.

FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	Year ended 30th June 2009	Year ended 30th June 2008
Sales and Other Income	119527.83	142465.26
Expenditures	86489.73	97814.50
Gross Profit Before Deprecation	33038.10	44650.76
Deprecation	12260.35	9457.09
Profit Before Tax	20777.75	35193.67
Provisions for Taxation	5555.08	9068.61
Profit after Tax	15222.67	26125.06
Add. Accumulated Profit	14.90	12508.76
Balance available for appropriation	15237.57	38633.82
APPROPRIATIONS:		
Transfer to General Reserve	11800.88	3000.00
Transfer to Foreign Currency Convertible Bond Reserve	2475.00	34700.00
Proposed Dividend on Equity Shares	704.97	704.97
Equity Dividend & Tax for previous year (not appropriated in previous year)	0.00	94.14
Provision for tax & CESS on dividend	119.81	119.81
Surplus carried to Balance Sheet	136.91	14.90

PPERFORMANCE

During the year under review, the turnover of the Company was Rs. 119527.83 lacs as against the previous year turnover of Rs.142465.26 lacs. The Profit after Tax of the Company for the year stands at Rs. 15222.67 lacs as against the previous year figure of Rs. 26125.06 lacs. The Company has strong reserve position of Rs. 251462.34 lacs.

DIVIDEND

The Board of Directors are pleased to recommend a Dividend @ 25% for the financial year 2009-10 i.e. Rs. 0.50/- Per equity share of Rs.2/- each for your approval. The Proposed dividend if approved at the ensuing Annual General Meeting would result in appropriation of Rs. 824.78 lacs (including Corporate Dividend Tax of Rs. 119.81 Lacs) out of the profits. The Company has made transfer of Rs.11800.88 Lacs to the General Reserve. The total appropriation of dividend of Rs.824.78 Lacs gives 5.42 % pay out on net profit of the Company.

The Register of members and share transfer books shall remain closed from 28th December 2009 to 31st December 2009 (both days inclusive), for the purpose of Annual General Meeting and payment of Dividend.

JOINT VENTURE AGREEMENTS

Joint Venture Agreement with Sumitomo Metal Industries

During the year under review, the Company signed a strategically important JV agreement with the leading Japanese Steel Manufacturer, Sumitomo Metal Industries Limited, based in Tokyo, Japan for Production and sale of forged crankshafts for automotive applications in India. In this Joint Venture, Amtek's stake is 50% and the rest 50% is shared by Sumitomo Metals (40%) and Sumitomo Corporation (10%). Sumitomo Corporation is the global partner of crankshaft business of Sumitomo Metals.

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Sumitomo Metal is a leading manufacture of steel and various steel products, including sheets, plates, tubes, bars, shapes and automotive and machinery parts. This Joint Venture provides to Sumitomo Metals entry into the high growth crankshaft market of India. This is based on Sumitomo Metals Corporate Strategy to "add strength to strong areas." With this entry to India, Sumitomo Metals will have a global "tetra polar" production system (Japan, U.S., China, and India)

This Joint Venture is in line with Amtek's strategy of augmenting its product portfolio. This also makes Amtek a full serviced supplier of crankshafts for automotive applications as Amtek has already created a market leader position for itself in the field of fully machined crankshafts.

This Joint Venture with Sumitomo Metals is another milestone for the Amtek Group and step forward in direction of consolidating its customer and product portfolio as well as attaining world class technological edge in automotive manufacturing.

ISSUE OF FCCB

Pursuant to the approval of shareholders of the Company at the Extra Ordinary General Meeting of the Company held on July 17, 2009, the Committee of Directors issued and allotted Foreign Currency Convertible Bonds aggregating to US$ 165 million, convertible into Equity Shares of the Company at the option of the bondholders. These FCCBs are listed on Singapore Stock Exchange.

ISSUE OF WARRANTS

Subsequent to the year under review, the Company issued and allotted 1,50,00,000 warrants entitling the warrant holder(s) to apply for equivalent number of fully paid up equity shares of Rs.2/- per share at a premium of Rs.131/- per share of the Company aggregating to Rs. 199.50 crores to the promoter group companies by way of preferential allotment.

SHARE CAPITAL

Out of the above warrants, the Company has allotted 76,00,000 equity shares upon conversion of warrants into equivalent number of equity shares of Rs. 2/- at a premium of Rs. 131/- aggregating to Rs. 101.08 Crores to the promoter group companies by way of Preferential Allotment.

In addition to the above, the Company has also issued and allotted 76,79,536 equity shares of Rs. 2/- per share at a premium of Rs. 146.4/- per share upon conversion of FCCB's of US$ 23.435 million out of FCCBs of US$ 165 million.

ISSUE OF NON CONVERTIBLE DEBENTURES

Subsequent to the year under review, the Company issued 10% Secured Redeemable Non-convertible Debentures (NCDs) aggregating to Rs.200 Crores on private placement basis to Life Insurance Corporation of India. The NCDs are redeemable in five equal annual installments commencing from the end of 6th year from the date of allotment. The NCDs are listing on the Bombay Stock Exchange Limited.

CREDIT RATING

The Credit Analysis & research Ltd. (CARE) has assigned a CARE AA (CARE Double A) rating to the NCD issue of the Company for Rs. 200 Crore. The instruments carrying AA rating are considered to offer high safety for timely servicing of debt obligation. Such instruments carry very low credit risk.

EXPANSION

During the year under review, the Company has expanded its capacity of manufacturing of machined auto components from 300 lacs unit p.a. to 305 lacs unit p.a. and aluminum casting capacity from 20000 tpa to 30000 tpa.

SUBSIDIARY COMPANIES

As of 30th June 2009, Your Company has following subsidiaries:-

- Smith Jones Inc., USA
- Amtek Investments U.K. Limited (UK)

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- Amtek Deutschland GmBh, Germany and
- Amtek Investments U.S. 1 Inc.U.S.A.
- Ahmednagar Forgings Limited
- Amtek Ring Gears Limited (formerly Benda Amtek Limited)
- Amtek Crank Shaft India Limited (formerly Amtek Siccardi India Limited)
- Amtek Transportation Systems Limited

A Statement in respect of the said subsidiaries pursuant to Section 212 of the Companies Act, 1956 is enclosed herewith as required.

The Company has received an exemption from the Central Government under section 212 (8) of the Companies Act, 1956, from the attachment of copies of the Balance Sheet, Profit and Loss Account and other documents of subsidiaries for the year ended 30th June, 2009. The annual report and accounts of the subsidiaries will be made available upon request by any member of the Company interested in obtaining the same. However, pursuant to Accounting Standard AS-21, Consolidated Financial Statements presented by the Company include Financial Results of its subsidiaries.

DIRECTORS

Mr Rajeev Thakur, retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Brief resume of Mr. Rajeev Thakur containing nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreements with the Stock Exchanges in India, is provided in notice forming part of the Annual Report.

AUDITORS

The Auditors of the Company M/s Manoj Mohan & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. Certificate from Auditors have been received to the effect that their appointment, if made, would be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

Notes forming part of accounts, which are specifically referred to by the auditors in their report, are self explanatory and therefore, do not call for any further comments.

CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated Financial Statement based on the Financial Statement received from subsidiary companies as approved by their respective Board of Directors, have been prepared as per the requirements of the Listing Agreement and Accounting Standards and Guidelines issued by The Institute of Chartered Accountants of India.

FIXED DEPOSITS

During the year under review, the Company has not accepted public deposits under section 58 - A of the Companies Act, 1956.

DE-MATERIALISATION OF SHARES

The Company's equity shares are available for de – materialization on both the depositories' viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your company's shares mandatory, in de – materialized form. As on 30th June 2009, 14,03,63,749 equity shares representing 99.55% of your Company's Equity Share Capital have been de-materialised.

LISTING AT STOCK EXCHNAGE

The Equity Shares of Company are listed on Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Company has paid annual listing fee to the Stock Exchanges for the year 2009 - 2010.

The Secured Redeemable Non Convertible Debentures of the Company are listed on Bombay Stock Exchange Limited.

The Global Depository Receipts (GDRs) of the Company are listed at London Stock Exchange and Foreign Currency Convertible Bonds (FCCBs) are listed at Singapore Stock Exchange.

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STATUTORY INFORMATION

- Particular of Employees under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 – Details are given in the Annexure and form part of this Report.
- Statutory details of Energy Conservation and Technology Absorption, R & D activities and Foreign Exchange Earning and Outgo, as required under Section 217(1) (e) of the Companies Act, 1956 and rules prescribed there under i.e. the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure and form part of this Report.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Director's Report and the certificate from the Company's auditors confirming compliance of Corporate Governance norms as stipulated in clause 49 VI of the Listing Agreement with the Indian Stock Exchanges is included in the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of financial condition including the results of operations of the Company for the year under review as required under clause 49 of the Listing Agreement with Stock Exchange is presented in separate section forming part of the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed :-

- That in the preparation of the annual accounts for the year ended 30th June 2009, the applicable accounting standards have been followed;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Directors had prepared the annual accounts on a going concern basis.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

Your Directors would like to convey their appreciation for all the co-operation and assistance received from the Government, Financial Institutions, Bankers and Stakeholders of the Company. Your Directors also express their appreciation of the dedication of employees in meeting all targets. We look forward to receiving the continued patronage of our business partners to become a better and strong Company.

By order of the Board
For AMTEK AUTO LIMITED

Sd/-
(ARVIND DHAM)
Chairman

Date : 02.12.2009
Place : New Delhi

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ANNEXURE TO THE DIRECTORS' REPORT 2008-2009

A. 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) Product design & development ii) Process design & improvement for various products
b)	Benefits derived as result	:	1. Reduction in process time 2. Higher productivity 3. Consistent quality
c)	Future plan of action in Mfg. Process & operation	:	To achieve better yield by way of cost reduction through higher level of automation

II. Technology Absorbtion:

a)	Efforts in brief towards technology absorbtion	:	The Company has indigenised and absorbed technological changes as advised by collaborators in the past.
b)	Benefits derived as a result of above efforts e.g product	:	i) Cost reduction to savings in raw material dies & moulds & power & fuel ii) Increase in productivity & better quality
c)	In case of imported technology (import) during the last 6 years reckoned from the beginning of the financial year)		N.A

III. Foreign Exchange Outgo:

Activities Relating to Exports: Initiatives taken to increase exports; developments of new export markets for products and services; and export plans.

The Company has strategic alliance with its group Companies in UK and USA, to increas its share of business in the international market, which has access to all automobile majors in the U.S and European market and existing supplier, business relationship.

(Rs in Lacs)

		Current Year	Previous year
Foreign Exchange Used	:	7,592.88	4163.65

IV. Conservation of Energy	**Current Year**	**Previous year**
A. Power & Fuel consumption		
1. Electricity Purchased		
Units (in Lacs)	**182.29**	161.45
Total Amt. (Rs in Lacs)	**839.59**	745.92
Rate/Unit	4.61	4.62
2. Own generation through Generator		
Units (in Lacs)	139.48	172.48
Unit/Ltr	**3.19**	3.20
Rate/Unit	**10.31**	**10.83**
Total Amt. (Rs in Lacs)	**1437.74**	1870.99
B. Consumption Per Unit of Production		
Auto Components (In lacs)	**342.82**	437.56
Cost/Pc	6.64	5.98

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CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Amtek considers Corporate Governance as an important tool for achieving all round excellence with ultimate objective of enhancing shareholders' value. The Company took initiative in practicing good Corporate Governance procedures, even before they were made mandatory.

Amtek firmly believes that Corporate Governance begins with Company's continuous review of its internal procedures and practices encompassing all its business areas in the most appropriate manner, which would spell fairness, transparency and accountability.

II. BOARD OF DIRECTORS

The Business of the Company is managed by the Board of Directors. The functions of the Board include formulation of strategic business plans, budgets, setting up goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Director along with a team of professionals manages the day-to-day operations of the Company. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business, industry and finance. The Board of Directors has the ideal composition with more than half the Directors being non-executive Directors. Since the Company has a Non Executive Chairman, the Board's composition meets the stipulated requirement of at least one third of the Board comprising Independent Directors who have no professional and/or business relationship with the Company.

A. Composition of Directorships

The constitution of the Board as on June 30, 2009:

Non-Executive Chairman
Mr. Arvind Dham, Chairman and Director

Promoter Director	Executive Director	Non-Executive Director	Non-Executive and Independent Directors
Mr. Arvind Dham	Mr. D.S. Malik	Mr. John Ernest Flintham	Mr. Rajeev Thakur
			Mr. B. Venugopal*
			Mr. B. Lugani
			Mr. Sanjay Chhabra

* During the year under review, LIC nominated Mr. B. Venugopal, to represent LIC on the Board of the Company in place of Mr. K. Vaidyalingam.

B. Pecuniary Relationship

There is no pecuniary relationship or transaction of the non-executive Directors vis-à-vis the Company.

C. Attendance Record of Board Meetings

During the year under review, Six Board meetings were held on 31.07.2008, 25.10.2008, 01.12.2008, 30.01.2009, 30.04.2009 and 25.05.2009 The Board members are given appropriate documents and information in advance of each Board meeting.

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