

**16th
ANNUAL
REPORT
2001-2002**



**AMTEK
A U T O
LIMITED**

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AMTEK AUTO LIMITED

16th ANNUAL REPORT

2001 - 2002

Board Of Directors

Shri Arvind Dham	<i>Managing 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>
Shri D. S Malik	<i>Director</i>
Shri J. S. Pal	<i>Director</i>

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Regd. Office & Works (Unit-I)

Plot Not. 16, Industrial Estate,
Rozka-Meo (Sohna)
Distt. Gurgaon (Haryana).
Ph.: 0124-662456, 662140
Tel/Fax: 0124-662454
e-mail: aall@satyam.net.in

Unit-II

Begumpur Khataula,
P.O. Khandsa, Distt. Gurgaon, Haryana.
Ph.: 0124-373412
Fax: 0124-373408
e-mail: amtekunit2@satyam.net.in

Unit-III

Vill. Mohammadpur, Jharsa,
Distt. Gurgaon (Haryana).
Ph.: 0124-6372152 Fax: 0124-6373410

Unit-IV

Plot No. 7 & 8, Hirehalli Industrial Area,
Hirehalli, District Tumkur, Karnataka
Phone: (0816) 43692, 43686
e-mail: amtekbang@sify.com

Corporate Office

4, Bhanot Apartments,
Local Shopping Centre,
Pushp Vihar,
New Delhi-110 062
Ph.: 011-6092281/82/83/84, 6088219
Fax: 011-6084554/7867
e-mail: amtek@satyam.net.in
web: <http://www.amtek-group.com>

Company Secretary

Mrs. Iqneet Kaur

Bankers

Corporation Bank
Connaught Circus
New Delhi-110 001
The South Indian Bank Ltd.
Connaught Circus
New Delhi-110 001

Auditors

M/s Manoj Mohan & Associates
Chartered Accountants,



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NOTICE

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

DAY	:	Monday
DATE	:	30th September, 2002
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 on 31st March, 2002 and Profit and Loss Account for the year ended on that date together with Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a director in place of Sh. Rajiv Thakur, who retires by rotation & being eligible offers himself for re-appointment
4. To appoint a director in place of Sh. Sanjay Chhabra, who retires by rotation & being eligible offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration.

SPECIAL RESOLUTION

6. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:-

"RESOLVED THAT pursuant to the recommendation of Board of Directors & Articles of Association of the company and subject to the guidelines issued by the Securities and Exchange Board of India and other authorities subject to approvals if any and such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approval the consent be and is hereby accorded to capitalise a sum of Rs. 7.75 crores out of the Company's share premium account to be capitalised and that the said sum so capitalised be applied for the issue of new Equity Shares of Rs. 10/- each (hereinafter referred to as the "said Bonus Shares") in the share capital of the Company and the said Bonus Shares be appropriated as capital and not as income nor in lieu of dividend and allotted and distributed as fully paid up Bonus Shares to and amongst the persons registered in the Register of Members as the holders of the existing Equity Shares of the Company at a date to be fixed by the Board of Directors in the proportion of 1:1, i.e. Bonus Equity Shares of Rs.10/- (Rs.Ten) each for every one existing fully paid Equity Share of Rs. 10/- (Rs. Ten) each held by such members as on such date as may hereafter be determined by the Board for every existing Equity Share held by such persons respectively provided that the issue and allotment of the said Bonus Shares are subject to the following terms and conditions:

- (i) That the said Bonus Shares shall, in all respects, rank pari passu with the existing Equity Shares.
- (ii) That the said Bonus Shares shall also be subject to the Memorandum and Articles of Association of the Company in all respects;
- (iii) That no allotment letter shall be issued to the allottees of the said Bonus Shares and that Certificates in respect of the said Bonus Shares allotted shall be sent to the respective allottees within the statutory time limit. In case of securities held in Electronic mode no physical share certificate shall be issued, the shares as per the entitlement will be credited to the respective accounts as per the requirements of the depository system.
- (iv) That it is hereby recorded that subject to statutory limitation of dividend, if any, and provided cash resources are adequate and profits after taxation for the year are sufficient to cover the dividend plus transfers to reserves which may be required, it is the intention of the Board of Directors unless prevented

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- by unforeseen circumstances to recommend the declaration of a dividend of at least Rs. 2/- each per Equity Share on the share capital as increased by the proposed Bonus issue in the financial year of the Company immediately after the allotment of the said Bonus Shares. This statement of intention is not a forecast.
- RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps and to give such directions as may be necessary or desirable and to decide for any question whatsoever that may arise with regard to the issue, allotment distribution of the new equity shares as the Board may in their absolute direction deem fit."
- 7. **To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :-**

"RESOLVED THAT pursuant to the recommendation of Board of Directors and in partial modification of the resolution passed at the Extraordinary General Meeting of the Company held on Friday, 25th day of August, 2000 for reappointment of Shri Arvind Dham as Managing Director of the Company with effect from 1st July 2000 and in accordance with the provisions of Section 310 and other applicable provisions, if any, of the Companies Act, 1956 & the laws prevailing for the time being as may be required and such alteration and modification, if any, pursuant to any change in policies or laws, guidelines, rules and regulations relating to managerial remuneration, the company hereby approves the change in the terms and conditions as to amount of salary payable to Shri. Arvind Dham , Managing Director of the company per month from Rs. 1,50,000/- (Rupees One lacs Fifty thousand only) per month to Rs.8,00,000/- (Rupees Eight lacs only) per month with effect from 1st day of October, 2002 and upto the expiry of the term of his appointment i.e. 30th June 2005 and that the Board of Directors be and is hereby authorised to alter and vary such revised terms and conditions in accordance with the laws, rules and regulations from time to time in force as may be agreed to by the Directors & acceptable to Sh.Arvind Dham provided that such alterations are not less beneficial to the Company.

RESOLVED FURTHER THAT subject to the provisions of Section 198 and other applicable provisions, if any, of the Companies Act, 1956, the same remuneration as set out above proposed to be granted and paid to Shri Arvind Dham as monthly remuneration.

RESOLVED FURTHER THAT in the event of loss or no profits or inadequate profits during the remaining term of his office, Shri Arvind Dham shall be entitled for minimum remuneration as set out in Section II of Part II of Schedule XIII of the Companies Act, 1956."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, things and matters as may be deemed necessary in order to give effect to the foregoing resolution."
- 8. **To consider and if thought fit, to pass with or without modification, the following resolution as ordinary Resolution:-**

"RESOLVED THAT pursuant to Section 94(1) (a) and other applicable provision(s) if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 50,00,00,000 (Rupees Fifty Crore Only) divided into 1,50,00,000 (One Crore Fifty Lac Only) Equity Shares of Rs. 10/- (Rupees Ten) each and 35,00,000 (Thirty Five Lacs Only) Preference Shares of Rs. 100 (Rupees One Hundred Only) each to Rs. 55,00,00,000 (Rupees Fifty Five Crore Only) divided into 2,00,00,000 (Two Crore Only) Equity Shares of Rs. 10/- (Rupees Ten) and 35,00,000 (Thirty Five Lacs Only) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts, deeds and things as may be necessary for giving effect to above resolution."
- 9. **To consider and if thought fit, to pass with or without modification, the following resolution as ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 16 and all other applicable provision, if any, of the Companies Act, 1956 the existing (Clause-V) of the Memorandum of Association of the Company be and is hereby substituted and read as under:-

"The Authorised Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty Five Crores only) divided into 2,00,00,000 (Two Crore Lacs) Equity Shares of Rs.10/- (Rupee Ten) each and 35,00,000 (Thirty Five Lacs Only) Preference Shares of Rs.100/- (One Hundred) each."



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10. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :-

"RESOLVED THAT pursuant to provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the existing Articles 4 of Articles of Association of the Company be altered by substituted and read as under:-

"The Authorised Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty Five Crores only) divided into 2,00,00,000 (Two Crore Lacs) Equity Shares of Rs.10/- (Rupee Ten) each and 35,00,000 (Thirty Five Lacs Only) Preference Shares of Rs.100/- (Rupee One Hundred) each. with the power to increase or reduce the same in accordance with the provision of the Act."

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts, deeds and things as may be necessary for giving effect to this resolution."

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

Date: 2nd September, 2002
Place: New Delhi

(**ARVIND DHAM**)
Managing Director

NOTES

- (i) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- (ii) The proxy form duly signed and stamped should reach the Company's office atleast 48 hours before the time of the meeting.
- (iii) Relevant explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item No. 6 to 10 is annexed hereto.
- (iv) 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.
- (v) The Register of Members and Register of Share Transfer of the Company shall remain closed from 27th September, 2002 to 30th September, 2002 (Both days inclusive).
- (vi) Members are requested to furnish bank details by 27th September, 2002 in order to enable the Company to print the same on the dividend warrants. In respect of members holding shares in electronic mode, bank details as are furnished by the depositories to the Company will be printed on the dividend warrant.
- (vii) No tax will be deducted at source if the dividend amount payable to an individual shareholder does not exceed Rs. 1,000/-. Shareholders who are entitled to receive dividend/interest in the aggregate not exceeding Rs. 50,000/- during the Financial Year 2002-2003 and who desire to receive dividend without deduction of tax may file with the Company a declaration in Form 15 G, in duplicate, on or before 27th September, 2002.
- (viii) In terms of Section 139A(5A) & (5B) of the Income Tax Act, 1961, the Company will be able to Issue Tax Deduction Certificate wherever applicable, only if Permanent Account Number (PAN) together with designation and particulars of the Ward/Circle or Range of the Assessing Officer is furnished.
- (ix) 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.
- (x) 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 signatures in the attendance slip (Duplicate Attendance Slip shall be issued at the Registered office of the Company up to a day preceding the day of Annual General Meeting).
- (xi) Members who hold shares in dematerialised form are requested to bring their client ID and DP ID number for the purpose of identification of attendance at the meeting.

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- (xii) 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, 2002.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

- | | | |
|----------------------|---|--|
| 1. Name | : | Sanjay Chhabra |
| Date of Birth | : | 18.07.1960 |
| Qualifications | : | B.Tech I.I.T. Delhi |
| Profession | : | Industrialist |
| Expertise | : | Vast Experience in the field of technical, marketing and project implementation.
Director of the company since 29.09.95 |
| Other Directorships: | | Nil |
| 2. Name | : | Rajiv Thakur |
| Date of Birth | : | 01.10.1956 |
| Qualifications | : | Marin Engineer from Marin Engineering College, Calcutta. |
| Profession | : | Management Consultant |
| Expertise | : | Vast Experience in the field of Management Consultancy.
Director of the company since 30.11.94 |
| Other Directorships: | | Nil |

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

ITEM NO.6

Your director have recommended issue of Bonus Share to the equity shareholders of the company by capitalisation of funds an amount of Rs. 7.75 crores will be capitalised out of the Share Premium Account of the company, as detailed in the resolution, subject to general meeting approval.

None of the Directors except Mr. Arvind Dham and Mrs. Anita Dham to the extent of their of shareholding in the company is concerned or interested in the matter.

ITEM NO.7

Mr. Arvind Dham, Managing Director has been associated with the company since 1986. Under his dynamic leadership, your company has achieved great heights and made various strategic moves. Considering the Vast experience, knowledge and expertise of Mr. Arvind Dham, the Board of Directors of your company in their meeting held on 3rd day of August 2002 had approved payment of increased remuneration to Shri Arvind Dham, Managing Director to Rs. 8,00,000/- per month (Rupees Eight lacs only) as detailed in the resolution, subject to approval of shareholders of the Company.

None of the Directors except Mr. Arvind Dham and Mrs. Anita Dham is concerned or interested in the matter.

ITEM NO. 8

In connection with the proposed bonus issue of shares, the company proposes to increase its Authorised share Capital of the company. The existing authorised share capital of the company is Rs. 50 Crores and it is proposed to increase the authorised capital to Rs. 55 Crores.

Pursuant to the provision of section 94 of the Companies Act, 1956 increase of authorised capital requires approval of the shareholders in the general meeting. Therefore, your directors recommends the proposed resolution for your approval.



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

ITEM NO. 9 & 10

Consequent to increase in the Authorised share capital, it is necessary to change the existing capital clause of the Memorandum of Association and Clause 4 of the Articles of Association of the company.

Pursuant to Section 16 and 31 of the Companies Act, 1956 read with Section 94 of the said Act, the abovesaid amendment should be approved by the shareholders of the company by way of Special Resolution. Therefore, your Directors recommend the proposed resolutions giving effect to the above amendments for your approval.

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

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

Date: 2nd September, 2002
Place: New Delhi

(ARVIND DHAM)
Managing Director





DIRECTORS' REPORT

TO

THE MEMBERS,

AMTEK AUTO LIMITED

Your Directors have pleasure in presenting the Sixteenth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

(Rs. In Millions)

PARTICULARS	Yr. Ended 31.03.02	Yr. Ended 31.03.01
Sales and other Income	2231.67	1402.51
Less :		
Expenditure	1801.29	1105.02
Gross Profit Before		
Depreciation	430.38	297.49
Less : Depreciation	181.53	121.38
Profit Before Tax	248.85	176.11
Less : Provision for Taxation	18.76	14.65
Profit after Tax	230.09	161.46
Provision for Deferred Tax	68.26	--
Profit after Deferred Tax	161.83	161.46
Income tax for earlier Years	9.87	--
	171.70	161.46
Accumulated Profit (Loss) B/F	11.96	100.79
Amount available for appropriation	183.66	262.25
Appropriations :		
General Reserve	46.02	209.80
Deb. Redemption Reserve	80.00	13.00
Preference Dividend	21.56	11.30
Proposed Dividend	15.49	12.56
Dividend Tax	2.20	3.63
Net profit Transferred		
To Balance sheet	18.39	11.96

PERFORMANCE

During the year under review, the company has posted

a turnover of Rs. 223.17 crores reflecting an increase of more than 59.12% over the previous year figure of Rs. 140.25 Crores, Cash profit has been recorded at Rs. 41.16 Crores as against previous year figure of Rs. 28.28 Crores reflecting an increase of 45.54%. As on 31st March, 2002 your company has a strong reserves position of Rs. 137.20 Crores.

DIVIDEND

Considering the excellent growth in turnover and profits your Directors recommend a dividend @ 20% for the year ended 31st March, 2002 on the equity share capital of the company.

SHARE CAPITAL

The Company's share Capital structure under went certain changes during the year under review:

The Subscribed Capital of the Company increased from Rs. 69774530/- comprising Rs. 6977453/- Equity shares of Rs. 10/- each to 77474530 comprising 7747453 Equity shares. This was on account of allotment of 770000 Equity shares Rs. 10 /- each at a premium of Rs.460/- per share.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under clause 45VA of the listing Agreement, Management Discussion and Analysis Report is annexed and forms part of this report.

COMPLIANCE CERTIFICATE

Certificate received from the Auditors of the company regarding compliance of conditions of Corporate Governance, as required under clause 45 VIII of the Listing Agreement, is annexed and forms part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors Confirm :-

- (I) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departures.
- (II) That the Directors have selected such accounting policies and applied them consistently and made judgements 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 of the company for the year ended on that date.
- (III) That the Directors had 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



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and for preventing and detecting fraud and other irregularities.

- (IV) That the Directors have prepared the Annual Accounts on a going concern basis.

FIXED DEPOSITS

During the year, the company continued to accept deposits under section 58 - A of the Companies Act, 1956.

CORPORATE GOVERNANCE

The provisions of Corporate Governance pursuant to Clause 49 of the listing Agreement are applicable to the Company and all the mandatory disclosures mentioned in Corporate Governance Reporting System have been furnished in the Annexure to the Directors' Report under the head 'Corporate Governance'.

LISTING AT STOCK EXCHANGE

The shares of company are listed on The Delhi Stock Exchange Association Limited The Stock Exchange Mumbai, The Madras Stock Exchange Ltd. The Ludhiana Stock Exchange Association Limited and are also permitted to be traded on The National Stock Exchange of India Limited.

The company has paid the annual listing fee to the Stock exchanges for the year 2002 - 2003.

DIRECTORS

Mr. Rajeev Thakur and Mr. Sanjay Chhabra retire at the ensuing Annual General meeting and being eligible offer themselves for reappointment.

AUDITORS

M/s Manoj Mohan & Associates, Chartered Accountants, the Auditors of the company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment.

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 endeavors 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.

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 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.

The Employees of your company continued to display their unstinted devotion, Co- operation and commitment towards the pursuit of excellence, Your Directors take this opportunity to record their appreciation of the dedicated work and contribution made by every member of Amtek family for enabling the company to realise its corporate objective.

Your Directors also express their profound thanks to the share holders for their faith and continued support to the endeavours of the company.

By order of the Board
For AMTEK AUTO LIMITED

Date: 2nd September, 2002
Place: New Delhi

(ARVIND DHAM)
Chairman

AMTEK AUTO LIMITED

ANNEXURE TO THE DIRECTORS' REPORT 2001-2002

A. STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISION OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

EMPLOYED THROUGHOUT THE FINANCIAL YEAR :

Sl. No.	Name of Employee	Designation /Nature of Duties	Qualification	Experience (Yr.)	Date of Joining	Remuneration (Rs.)	Age (Yr.)	Last Employment Position/held/Year/ Organisation
1:	Sh. Arvind Dham	Managing Director	B.Arch. MBA	17	1.07.1986	31,80,000*	42	Sattaj Const. Co. Ltd. Punjab (Director)

* Salary includes basic salary, perquisites and allowances.

EMPLOYED FOR PART OF THE YEAR

NIL	--	--	--	--	--	--	--	--
-----	----	----	----	----	----	----	----	----

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

II. Research & Development (R & D)

- | | | |
|--|---|---|
| a) Specific area in which (R & D) Carried out by the Company | : | i) Process integration
ii) Development and improvement in Production techniques. |
| b) Benefit Derived as a Result | : | i) Cost Reduction.
ii) Accuracy. |
| c) Future plan of action in Mafg. Process & Operation. | : | i) Zero Level of Rejection
ii) Optimisation. |

II. Technology Absorption :

- | | | |
|--|---|---|
| a) Efforts in brief towards Technology absorption | : | i) Successfully implemented technical and technological changes as advised. |
| b) Benefit Derived as a Result of | : | i) Quality Standard as per global norms
ii) Optimum utilization of resources. |
| c) In case of Imported technology (import during the last 6 years reckoned from beginning of the financial years). | : | Technology in the form of drawings & designs have been applied to the manufacturing operations. |

		(Amt. in Lacs)	
		Current Year	Previous Year
III. Foreign Exchange Earning & Outgo			
Foreign Exchange earned	:	Rs. 0.18	Rs. 0.21
Foreign Exchange Used	:	Rs. 49.89	Rs. 57.57
IV. Conservation of energy :			
A. Power & Fuel Consumption	:		
1. Electricity Purchased			
Units		28,31,592	19,06,551
Total Amount		1,29,10,242	86,17,609
Rate / Unit		4.56	4.52
2. Own Generation through Generator	:		
Units		33,44,371	25,34,236
Total Amount		2.70	2.70
Rate / Unit		6.79	6.66
B. Consumption per unit of production Products			
Auto Components		1,00,37,426	85,17,658
Cost/Pc.		3.55	2.99