



AMTEK AUTO LIMITED

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24th ANNUAL REPORT
2009 - 2010



AMTEK AUTO LIMITED

24th ANNUAL REPORT 2009 – 2010

Board Of Directors

Mr. Arvind Dham	<i>Chairman & Director</i>
Mr. D.S. Malik	<i>Managing Director</i>
Mr. Rajeev Thakur	<i>Director</i>
Mr. Sanjay Chhabra	<i>Director</i>
Mr. B. Lugani	<i>Director</i>
Mr. B. Venugopal	<i>Nominee Director</i>
Mr. John Ernest Flintham	<i>Director</i>

Company Secretary

Mr. Rajeev Raj Kumar

Auditors

M/s Manoj Mohan & Associates
Chartered Accountants

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Regd. Office & Works (Unit-I)

Plot No. 16, Industrial Estate,
Rozka-Meo (Sohna)
Distt. Mewat (Haryana)
Ph.: 0124-2362140
Tel/Fax: 0124-662454
e-mail: aal@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 (Shed 3, 4 & 5)

Village Malpura,
Dharuhera, Rewari, Haryana

Unit-V

Plot No. 1, Sector-II,
New Industrial Area,
Distt. Raigarh
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

Gal 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

A-459, Industrial Area, Chopanki
Distt. - Alwar, Rajasthan

Unit-XII

Survey No. 1, C-2, VR-5,
Tata Nano Vendor Park, Gujarat

Unit-XIII

Plot No. 73, Tata Vendor Park,
Distt. - Udhampur Singh Nagar

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.
Beetal House, 3rd Floor, 99, Madangir,
Behind L.S.C., New Delhi-110062
Tel.: 011-29255230, Fax : 011-29252146
E-mail: beetal@rediffmail.com

AMTEK AUTO LIMITED**NOTICE**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Amtek Auto Limited will be held at Plot No. 16, Industrial Estate, Rozka Meo, Sohna, Mewat (Haryana) on Friday, 31st December, 2010 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, 2010, 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 place of Mr. B. Lugani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Chhabra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare dividend
5. 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

Date : 24th November 2010
Place : New Delhi

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

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. The documents referred to in accompanying Notice and the Annual Report are open for inspection at the Registered Office of the Company on all working days except Sunday between 11.00 A.M. to 1.00 P.M. prior to the meeting.
4. The Register of Members and Share Transfer Book of the Company will remain closed from Tuesday, the 28th December 2010 to Friday, the 31st December 2010 (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 :-
 - (i) 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.
 - (ii) bring the enclosed attendance slip and deliver the same after filling in their folio number & client ID-DP ID 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 preceeding the day of Annual General Meeting.
 - (iii) bring their copies of Annual Report to the meeting as the same will not be redistributed at the venue of Annual General Meeting.
 - (iv) quote their Folios/Client ID & DP Id Nos. in all correspondence.



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- (v) Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all persons transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transaction and off/market private transaction involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish a copy of PAN card to Company/Share Transfer Agent for registration of such transfer of shares.
 7. Members who hold shares in de-materialized form are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting
 8. The dividend as recommended by the Board of Directors, if declared at this Annual General Meeting shall be paid on or before January 30, 2011.
 - (i) 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 27, 2010.
 - (ii) 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, 2010.
 9. The Non Resident Indian Shareholders are requested to inform the Company immediately about:
 - (i) The Change in Residential status on return to India for permanent settlement.
 - (ii) The particulars of NRO Bank Account in India, if not furnished earlier.
 10. Consequent upon amendment to Section 205(A) of the Companies Act, 1956 and introduction of Section 205(C) by the Companies (Amendment Act) 1999, the amount of dividend 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, 2003 or any subsequent financial years, are requested to make their claims to the R&T Agent of the Company. According to the provisions of the Act, no claim 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. Members desirous of making a nomination in respect of their shareholding in the Company, permitted under Section 109A of the Companies Act, 1956, are requested to send their requests in form No. 2B in duplicate (which will be made available on request) to the R&T Agent of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participants.

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 Agent, their ECS mandate in the prescribed form, which is available elsewhere in the Annual Report or can be obtained from the Registrar & Share Transfer Agent of the Company.

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

Name	Mr. B. Lugani
Date of Birth	27th July, 1955
Qualification	Chartered Accountant
Profession	Financial and Management Consultant
Expertise	Mr. B. Lugani has 31 years experience in the field of Accounts, Finance, Management Consultancy, Income Tax, Setting up of new projects etc.

AMTEK AUTO LIMITED

Other Directorships	1. Ahmednagar Forgings Limited 2. Raghu Consultants (P) Limited 3. Vishal Mechanical Works (P) Limited
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Name	Mr. Sanjay Chhabra
Date of Birth	18 th July, 1960
Qualification	B.Tech. (Mech.), MBA (Marketing)
Profession	Business
Expertise	Vast experience in the field of technical, marketing and project implementation
Other Directorships	1. Skyline Associates Pvt. Ltd. 2. Adisid Associates Pvt. Ltd. 3. Cipher Buildtek Pvt. Ltd. 4. Ninth Dimension Hotels & Resorts Pvt. Ltd. 5. Blue Note Cafe Pvt. Ltd.

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

Date : 24th November 2010
Place : New Delhi

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



AMTEK AUTO LIMITED

DIRECTORS' REPORT

TO
THE MEMBERS,
AMTEK AUTO LIMITED

Your Directors have great pleasure in presenting the 24th Annual Report on the performance of your Company together with the Audited Statements of Accounts for the financial year ended 30th June 2010.

FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	Year ended 30th June 2010	Year ended 30th June 2009
Sales and Other Income	142,434.39	119,527.83
Expenditures	105,704.45	86,489.73
Gross Profit Before Depreciation	36,729.94	33,038.10
Depreciation	16,659.43	12,260.35
Profit Before Tax	20,070.51	20,777.75
Provisions for Taxation	5,764.49	5,555.08
Profit after Tax	14,306.02	15,222.67
Add. Accumulated Profit	136.91	14.90
Balance available for appropriation	14,442.93	15,237.57
APPROPRIATIONS:		
Transfer to General Reserve	1,500.00	11,800.88
Transfer to Debenture redemption Reserve	1,400.00	
Transfer to Foreign Currency Convertible Bond Reserve	8,818.00	2,475.00
Proposed Dividend on Equity Shares	2,017.00	704.97
Equity Dividend & Tax for previous year (not appropriated in previous year)	89.38	0.00
Corporate Dividend Tax	335.00	119.81
Surplus carried to Balance Sheet	283.55	136.91

BUSINESS SNAPSHOT

Amtek Auto is one of the largest integrated component manufacturers in India with a strong global presence. The Company has world class manufacturing facilities located in India, Europe and North America. Amtek Auto has significant expertise in the auto components space with proven capabilities in forging, gravity and high-pressure aluminium die casting and machining and sub-assembly. It has an extensive product portfolio with a range of highly engineered components. The Company is a preferred original equipment manufacturer supplier for passenger cars, light and heavy commercial vehicles, two wheeler and three wheeler diesel engines. The Company also manufactures components for non-auto sectors such as the railways, specialty vehicles and aerospace.

Global Market Position

- Only Indian Engineering Company and among a select few globally, to have integrated component manufacturing facilities across Forging, Iron-Casting, Aluminum Casting, Machining and Sub-Assembly of Auto and Non-Auto components
- Largest Machining Company, and second largest Forging Company in India
- International management team with extensive experience driving organic growth, joint ventures, technology partnerships and acquisitions

Best-in-Class Operations

- World class integrated facilities in Asia, Europe and North America backed by in-house design and product development. Optimized manufacturing sites with low cost base compared to global peers
- Auto Segment: Passenger Cars, 2/3 Wheelers, Light and Heavy Commercial Vehicles and Tractors. Non-Auto Segment: Railway Wagons, Locomotive Components, Specialty Vehicles and Aerospace
- Joint Ventures with leading international manufacturers providing growth acceleration

AMTEK AUTO LIMITED

Strong Financial Performance

- FYE June 2010 Revenues of **US\$ 785 million**; Market Cap **US\$ 750 million** (October 28, 2010)
- Management delivered 5 year average **EBITDA margins of 21%** and revenue **CAGR of 8%**
- **Strong balance sheet** with low leverage position provides financial strength to pursue growth strategy

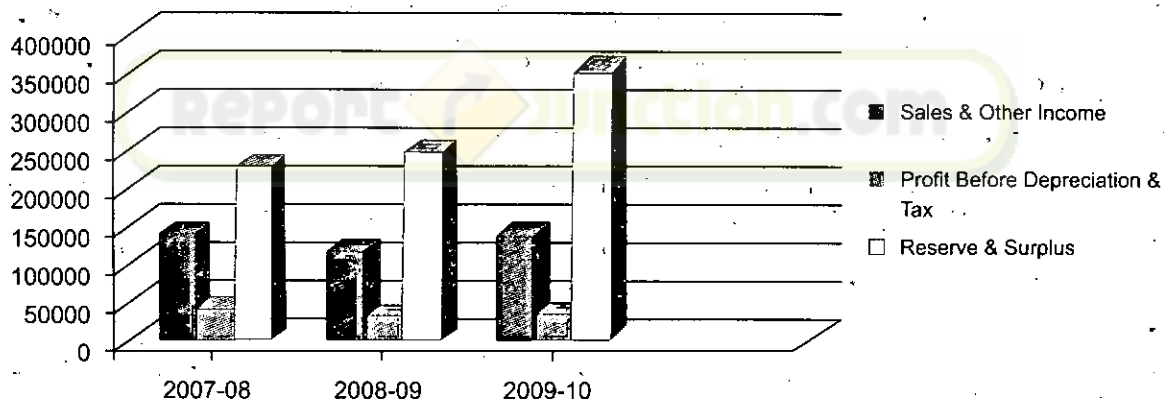
Your Company is well positioned in the Indian auto component market and is the largest casting and machining and the second largest Forging Company in India. The Company has generated average EBITDA margins of 21% over the last 5 years. Currently, the Company has a conservative leverage profile, with significant financial flexibility available for organic or inorganic expansion.

Amtek Auto's strategy is to continue to strengthen its presence in the automotive market by focusing on the Indian domestic market, leveraging its international manufacturing base and expanding the joint ventures.

The Company's Non-Auto strategy is to capture growth in railway sector, specialty vehicles and aerospace. In the railway sector, Amtek Auto plans to target opportunities within India, South East Asia and the Middle East. An existing joint venture with American Railcar Industries will provide Amtek Auto with technical expertise in the area.

BUSINESS PERFORMANCE

During the year under review, the revenue of the Company was Rs. 142,434.39 lacs as against the previous year revenue of Rs.119,527.83 lacs. The Profit after Tax for the year stands at Rs. 14306.02 lacs as against the corresponding year figure of Rs.15222.67 Lacs. The Company has strong reserve position of Rs. 360446.72 lacs.



DIVIDEND

The Board of Directors are pleased to recommend a Dividend of Rs. 1.00/- Per equity share of Rs.2/- each for the financial year 2009-10 for your approval. The Proposed dividend, if approved, at the ensuing Annual General Meeting, would result in appropriation of Rs. 2352.00 lacs (including Corporate Dividend Tax of Rs.335.00 Lacs) out of the profits. The Company has made transfer of Rs.1500.00 Lacs to the General Reserve. The total appropriation of dividend of Rs.2352.00 Lacs gives 16.44 % pay out on net profit of the Company.

The Register of members and share transfer books shall remain closed from 28th December 2010 to 31st December 2010 (both days inclusive), for the purpose of Annual General Meeting and payment of Dividend.

ACQUISITION OF MAJORITY STAKE IN AMTEK INDIA LIMITED.

During the period under review, the Company has entered into a Share Purchase Agreement with the existing promoters of Amtek India Limited on 28th May, 2010 to acquire an aggregate of 50720710 (Five Crores Seven Lacs Twenty Thousand Seven Hundred and Ten only) fully paid up equity shares of face value of Rs.2/-each representing 36.66% of the total paid up equity share capital of Amtek India Limited.

Out of above, AAL has acquired 33110710 fully Paid up Equity shares at a average price of Rs.64.83/- of Amtek India Limited constituting 23.93% of the Paid up Equity capital of AIL through a block deal on the Bombay Stock Exchange Limited.



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Pursuant to signing of SPA, the Company has given an Open Offer to the shareholders of Amtek India Limited to acquire up to 27677565 equity shares of Rs. 2/-each representing in aggregate 20% of the fully paid up equity capital and resultant voting rights of said Company at a price of Rs. 70.40/- (Rupees Seventy and paise forty only) per fully paid equity share, payable in cash, pursuant to Regulations 11(1) and other applicable provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

ISSUE OF FCCB

During the period under review, the Company has issued 33,000 5.625% Foreign Currency Convertible Bonds of US\$ 5,000 each aggregating to US\$ 165 millions convertible into equity shares of the Company at the option of the investors at price Rs. 148.40 per share. These FCCBs are listed on Singapore Stock Exchange.

ISSUE OF WARRANTS

Subsequent to the year under review, the Company issued and allotted 2,40,00,000 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.178/- per share of the Company aggregating to Rs. 432 crores to the promoter group companies by way of Preferential Allotment in accordance with Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations 2009.

SHARE CAPITAL

During the period under review, the Company has allotted 1,50,00,000 equity shares upon conversion of warrants into equivalent number of equity shares of Rs. 2/- each at a premium of Rs. 131/- per share aggregating to Rs. 199.50 Crores to the promoters by way of Preferential Allotment.

The Company has also allotted 52,054 equity shares of Rs. 2/- per share at a premium of Rs. 207.83/- per share upon conversion of FCCB's of US \$ 0.25 million out of FCCBs of US\$ 150 million and 1310081 equity shares of Rs. 2/- per share at a premium of Rs. 456.64/- per share upon conversion of FCCB's of US\$ 13.4 million out of FCCBs of US\$250 million.

In addition to the above, the Company has also issued and allotted 51,818,467 equity shares of Rs. 2/- per share at a premium of Rs. 146.40/- per share upon conversion of FCCB's of US\$ 158.13 million out of FCCBs of US\$ 165 million.

ISSUE OF NON CONVERTIBLE DEBENTURES

Subsequent to the year under review, the Company has also issued 10.25% Unsecured, Redeemable, Non-convertible Debentures (NCDs) aggregating to Rs.800 Crores on private placement basis to Banks & Financial Institutions. The NCDs are redeemable by way of Bullet Payment at the end of 5 years from the date of allotment viz., 20th September, 2010. The NCDs are listed 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. 800 Crores. 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 305 lacs unit p.a. to 330 lacs unit p.a. and forgings capacity from 135000 tpa to 165000 tpa.

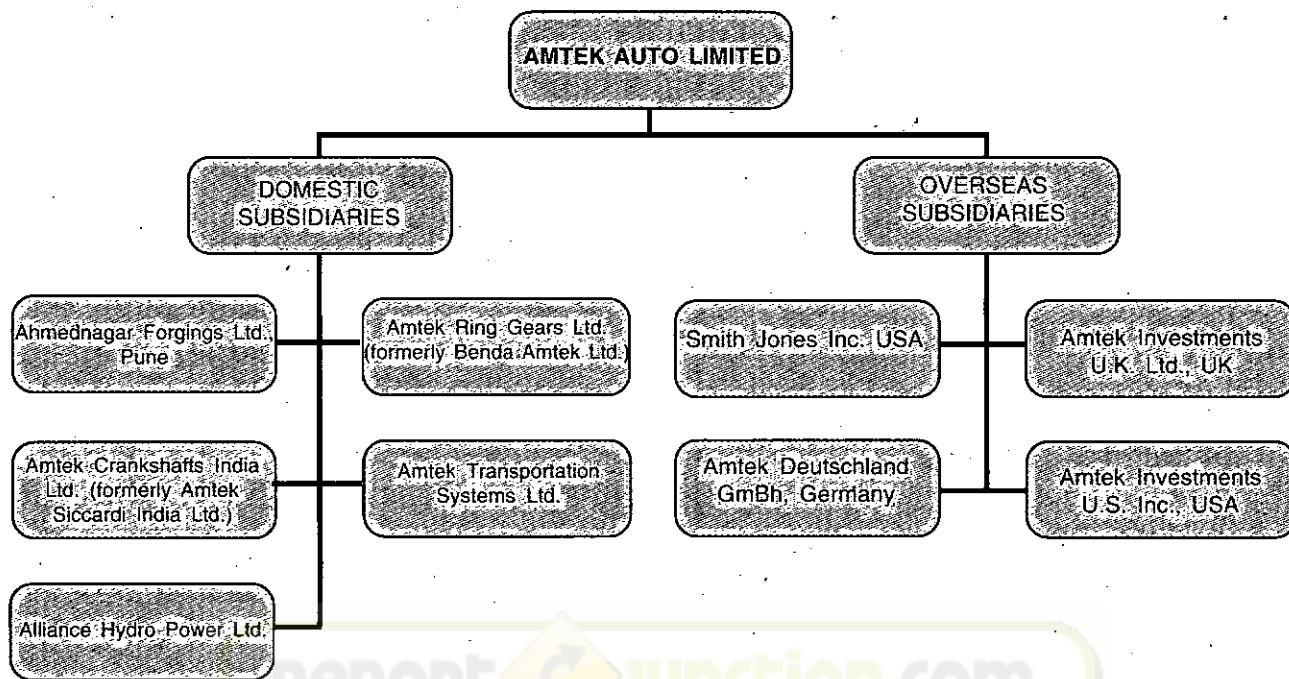
SUBSIDIARY COMPANIES

As of 30th June 2010, Your Company has following subsidiaries:-

- Smith Jones Inc., USA
- Amtek Investments U.K. Limited (UK)
- Amtek Deutschland GmBh, Germany
- Amtek Investments U.S. 1 Inc.U.S.A
- Ahmednagar Forgings Limited, Pune
- Amtek Ring Gears Limited (formerly Benda Amtek Limited)

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- Amtek Crankshafts India Limited (formerly Amtek Siccardi India Limited)
- Amtek Transportation Systems Limited
- Alliance Hydro Power Limited.



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

The Company has received 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, 2010. The annual reports 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 Annual Financial Results of its subsidiaries.

DIRECTORS

In accordance with Section 256 of Companies Act, 1956 and the Article of Association of the Company Mr B.Lugani & Mr. Sanjay Chhabra retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Brief resume of Mr. B. Lugani & Mr. Sanjay Chhabra containing nature of their expertise in specific functional areas and names of companies in which they hold 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 Statutory Auditors of the Company M/s Manoj Mohan & Associates, Chartered Accountants, who hold office until the conclusion of the ensuing Annual General Meeting are willing to be reappointed as the Statutory Auditor. A 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.

AUDITORS' REPORT

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.



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SHARE CAPITAL AUDIT

As per the directive of the Securities and Exchange Board of India (SEBI) M/s Iqneet Kaur & Co., Company Secretaries, New Delhi, undertakes Share Capital Audit on quarterly basis. The purpose of audit is reconciliation of total shares held in CDSL, NSDL and physical form with the admitted, issued and listed capital of the Company.

The Share Capital Audit Reports as submitted by the Auditor on quarterly basis were duly forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed.

CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated Financial Statement based on the Financial Statements 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 21 and 23 issued by The Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of the Company, its associates Companies and its subsidiaries after eliminating minority interest as single entry.

FIXED DEPOSITS

During the year under review, the Company has not accepted any public deposits under Section 58A & 58AA of the Companies Act, 1956.

DE-MATERIALISATION OF SHARES

The Company's equity shares are available for dematerialization on both the depositories viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in dematerialized form. As on 30th June 2010, 20,05,17,596 equity shares representing 99.41% of your Company's Equity Shares capital have been dematerialised.

LISTING AT STOCK EXCHANGES

The Equity Shares of the 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 2010 - 2011.

The 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.

STATUTORY INFORMATION

- Particulars of Employees under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 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 Earnings 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 a certificate from the Company's auditors confirming compliance of Corporate Governance norms as stipulated in clause 49 VII 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.