



AMTEK AUTO LIMITED

25th ANNUAL REPORT
2010 - 2011



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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,
Razka-Meo (Sohnal Distt. Mewar (Haryana).
Ph.: 0124-2362140
Tel/Fax: 0124-662454
e-mail: oaf@amtek.com

Unit-II

Begumpur Khatola,
P.O. Khandso, 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. Raisen, Mandideep-462046
Phone: 507053

Unit-VI

Plot No. 1, Industrial Area,
Dharuhera, Rewari, Haryana

Unit-VII

Plot No. 53,
Sector III, Industrial Area,
IMI Manesar, Gurgaon (Haryana)

Unit-VIII

Gal No. 1074-1085
Sanaswadi Shikrapur Chakan Road,
Taluka Shirpur, Pune, Maharashtra

Unit-IX

Nolagarh, Distt. Solan (H.P.)

Unit-X

Ranjangaon, Pune, Maharashtra

Unit-XI

A-459, Industrial Area, Chopanki
Distt - Awar, Rajasthan

Unit-XII

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

Unit-XIII

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

Unit-XIV

1195, Rica Industrial Area, Phase-IV, Bhiwadi, Rajasthan

Unit-XV

RNS 21, SPICOT Industrial Growth Centre, Sriperumbudur Taluk,
Oragadam, Kancheepuram, Tamilnadu

Unit-XVI

Gal No. 251, Telegaon, Chakan Road,
Kharabwadi, Khed, Pune, Maharashtra

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 : 011-29257146
E-mail: beetal@rediffmail.com

**NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of Amtek Auto Limited will be held at the Registered Office of the Company at Plot No.-16, Industrial Estate, Rozka-Meo, Sohna, Mewat (Haryana) on Saturday, 31st December, 2011 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, 2011, 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. Arvind Dham, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. John Flintham, 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 : 12th November 2011
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 Books of the Company will remain closed from Wednesday, the 28th December 2011 to Saturday, the 31st December 2011 (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, if applicable.
 - (ii) bring the enclosed attendance slip and deliver the same after filling in their folio number/Client ID and 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 up to 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.
 - (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, 2012:
 - (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, 2011.
 - (ii) In respect of shares held in electronic form, to those "members including 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, 2011.
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 205A of the Companies Act, 1956, and introduction of Section 205 (C) by the Companies (Amendment Act), 1999 the amount of dividends 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 encashed their dividend warrant(s) so far for the financial year ended 30th June, 2004 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. Members desirous of making a nomination in respect of their shareholding in the Company, permitted under 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 Agents 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 Agents, 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 of the Company.

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

Name	Mr. Arvind Dham
Date of Birth	15th March, 1961
Qualification	B. Arch. from Chandigarh College of Architecture, Punjab University.
Profession	Industrialist
Expertise	Mr. Arvind Dham is an eminent industrialist having more than 24 years of experience in the field of Project



	Planning, Implementation, International Trade & Business Management.
Other Directorships	1. Amtek India Limited 2. Ahmednagar Forgings Limited 3. Amtek Ring Gears Limited 4. Amtek Crankshafts (India) Limited 5. Symbios Personnel Advices and Services Ltd.

Name	Mr. John Flintham
Date of Birth	16 th September, 1952
Qualification	H.N.B. in Mech. Engineering from Technical College, Lincoln
Profession	Service
Expertise	Mr. John Flintham has more than 26 years experience in the field of Manufacturing in Automotive Components & Commercial Sales
Other Directorships	1. MPT Amtek Automotive (India) Limited 2. Amtek Tekfor Automotive Limited

By order of the Board
For AMTEK AUTO LIMITED

Date : 12th November, 2011
Place : New Delhi

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

**DIRECTORS' REPORT**

TO
THE MEMBERS,
AMTEK AUTO LIMITED

Your Directors have great pleasure in presenting the 25th Annual Report on the performance of your Company together with the Audited Annual Accounts for the financial year ended 30th June 2011.

FINANCIAL RESULTS**(Rs. in Lacs)**

PARTICULARS	Year ended 30th June 2011	Year ended 30th June 2010
Sales and Other Income	196,020.46	142,434.39
Expenditures	164,116.57	105,704.45
Gross Profit Before Depreciation	31,903.89	36,729.94
Depreciation	18,600.86	16,659.43
Profit Before Tax	13,303.03	20,070.51
Provisions for Taxation	5,120.83	5,764.49
Profit after Tax	8,182.20	14,306.02
Add. Accumulated Profit	283.55	136.91
Balance available for appropriation	8,465.75	14,442.93
APPROPRIATIONS:		
Transfer to General Reserve	2,000.00	1500.00
Transfer to Debenture Redemption Reserve	3,000.00	1400.00
Transfer to Foreign Currency Convertible Bond Reserve	-	8818.00
Proposed Dividend on Equity Shares	2,331.74	2017.38
Equity Dividend & Tax for previous year (not appropriated in previous year)	87.15	89.38
Corporate Dividend Tax	235.32	335.00
Surplus carried to Balance Sheet	811.54	283.55

BUSINESS SNAPSHOT

Amtek Auto is one of the largest integrated component manufacturers in India with a strong global presence. It has world class technical and operational expertise in the manufacturing of both auto and non-auto components. Given this global manufacturing base, broad product range and focus on quality, the Company is a preferred supplier to many domestic and global blue chip OEM's.

In the Auto segment, it has proven capabilities in forging, aluminium casting, machining and sub-assemblies. This has enabled the development of a highly engineered component product portfolio including the manufacturing of complex components for engines, transmissions, suspensions and chassis for passenger cars, 2/3 wheelers, light and heavy commercial vehicles.

The Non-Auto segment currently manufactures components for tractors, earth moving, construction and locomotive segments. The near term strategy is to also manufacture railway wagons, specialty vehicles and components for the aerospace and defence segments. Within the Non-Auto segment, our established joint ventures in railcar, specialized vehicles and machine manufacturing are progressing in line with our expectations.

Global auto markets including India are experiencing macroeconomic pressures, which in turn are leading to some degree of uncertainty in our industry. With this in mind, we remain cautious looking forward. Developing our Non-Auto business has been a strategic priority for us and now provides a diversified revenue base. Non-Auto segment has outperformed our expectations and contributes significantly to revenues. The management of the Company continues to remain focused on implementing operating efficiencies, increasing productivity, raising capacity utilization levels and enhancing cash flow generation. Our continued customer focus has once again translated into a strong new business order intake. The Company currently has a conservative leverage profile, with significant financial flexibility available for organic and inorganic expansion. Our shareholder register is now comprised of both long term domestic and international investors.

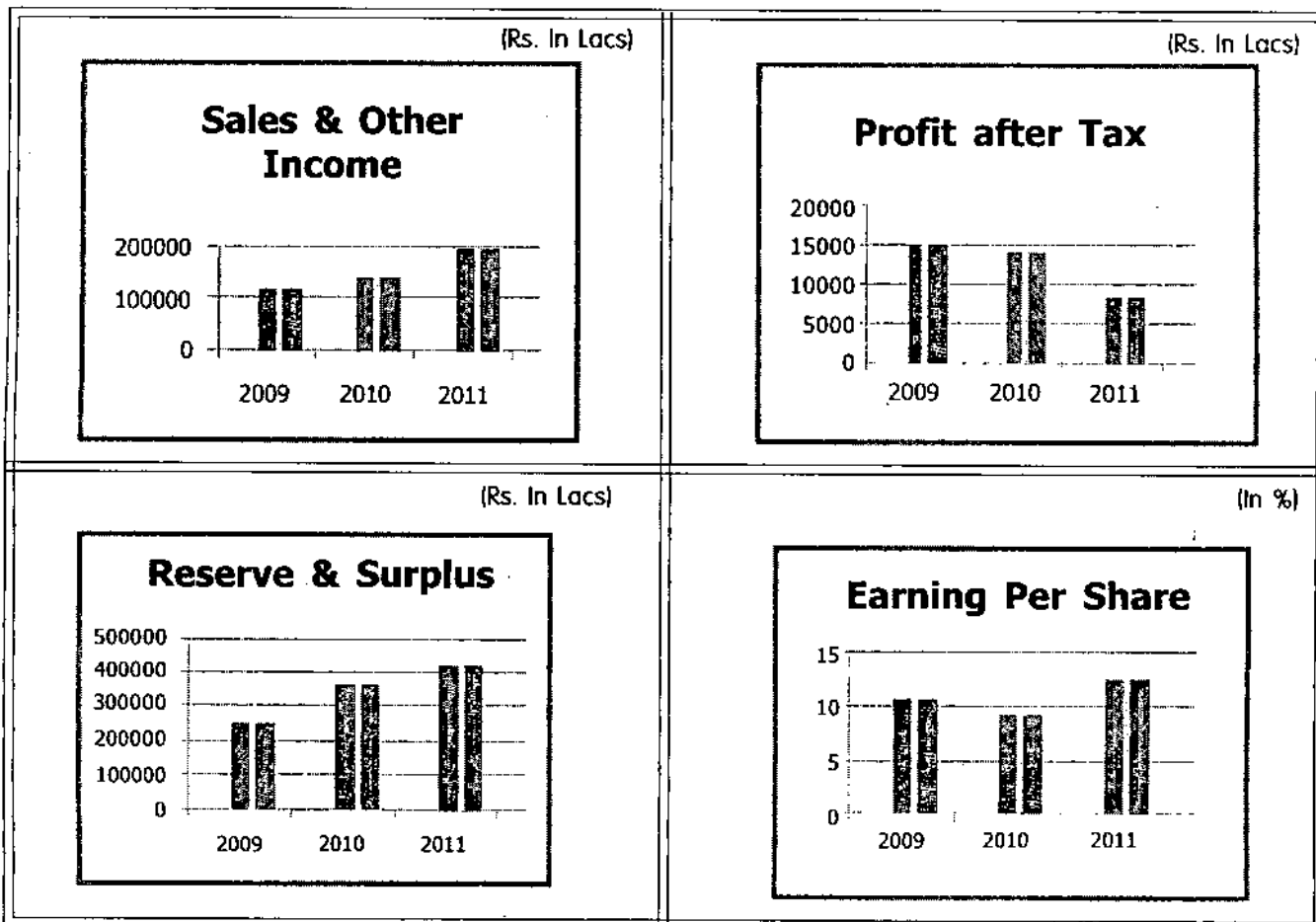


GROUP SNAPSHOT

Leading Market Position	Best-In Class Operations	Premier Global Customer Base	Strong Financial Performance
- Indian engineering Company with operations across forging, aluminum casting, machining and sub-assemblies. - Leader across multiple product categories - Management team with extensive experience - Non-Auto segment growth is a strategic priority	- World class Integrated facilities globally - In-house design and product development centers - Relatively low cost base relative to global peers - Joint ventures established with leading global firms - Six Sigma and Lean Technologies	- Diversified auto/non-auto end markets - Blue chip domestic and international Auto OEMs	- Track record of double digit top line growth - Financial strength to pursue growth strategy - Improved operational efficiencies and enhanced capacity utilizations across all product lines - Robust performance in auto and non-auto segments

BUSINESS PERFORMANCE

During the financial year under review, the revenue of the Company was Rs. 196,020.46 Lacs compared to the corresponding previous year revenue of Rs. 142,434.39 Lacs. The Profit after Tax of the Company for the year was Rs.8,182.20 Lacs compared to the previous year of Rs. 14,306.02 Lacs. The Company has a strong Reserve & Surplus position of Rs. 421,911.42 Lacs.





DIVIDEND

The Board of Directors is pleased to recommend a dividend of 50% of the face value of each equity share for the financial year 2010-11. This corresponds to Rs. 1.00/- per equity share each of the face value of Rs.2/- each and is subject to the shareholder's approval. The proposed dividend, if approved, at the ensuing Annual General Meeting, would result in appropriation of Rs. 2,567.06 Lacs (including Corporate Dividend Tax of Rs.235.32 Lacs) out of the Profit after Tax. The Company has made a transfer of Rs.2,000 Lacs to the General Reserve. The total appropriation of dividend of Rs.2,567.06 Lacs gives 31.37% payout on net profit of the Company.

The Register of members and share transfer books shall remain closed from 28th December 2011 to 31st December 2011 (both days inclusive), for the purpose of Annual General Meeting and payment of the dividend.

BUY BACK OF EQUITY SHARES

Subsequent to the year under review, the Company has announced a buy back of up to a maximum of 1,45,50,000 equity shares from its existing shareholders, other than those who are the persons belonging to the Promoters/Promoter Group, for a total consideration not exceeding Rs. 291 Crores (which is calculated at the maximum buy back price of Rs 200/- per equity share) which represents approximately 10% of the total paid up equity capital and free reserves of the Company as per the standalone audited financials available as on 30th June 2010.

The Company is now in the process of receiving various statutory approvals. Shares repurchased will be cancelled, in accordance with Companies Act, 1956 and SEBI's Regulations, and thereby result in a reduction of the Company's outstanding share capital. The share buy back will be completed within the statutory validity period, which is 12 months from the date of the Board of Directors approval i.e 25th August 2011. The timing, volume and nature of share repurchases will be at the sole discretion of management and dependent on market conditions.

This buy back program is in accordance with our focus on enhancing shareholder value, returns and the efficient management of the Company's capital structure. Recent market volatility has impacted our stock price, which management believes to be undervalued. Amtek Auto has delivered strong results during the past fiscal year and continues to generate significant cash flow. In addition to our robust balance sheet and liquidity position, this enables us to be opportunistic in repurchasing shares. This buyback program will not only enhance earnings per share and shareholder value, but more importantly demonstrate management's confidence in Amtek Auto's future growth potential.

JOINT VENTURE BY GROUP COMPANY

Amtek Defence Technologies Limited, a group Company of Amtek Auto has entered into a joint venture agreement with Enertec Systems Limited, an Israeli corporation (the holding Company) of Enertec Systems 2001 Limited, with the objective of developing and manufacturing advanced electronic systems, test systems, simulators and electronic systems for military applications.

This joint venture agreement however, is subject to the receipt of all necessary approvals from the Government of India and Ministry of Defence.

REDEMPTION OF REMAINING FCCBS OF US\$ 250 MILLION

During the year under review, the Company redeemed all of its remaining US\$ 250 million Zero Coupon Foreign Currency Convertible Bonds (the "FCCBs") that were issued in June 2006. The last and final cash payment for these FCCBs of US\$ 145.9 million (inclusive of premium) was made in accordance with the terms and conditions of the issue at maturity. The Company therefore was not required to allot any equity shares arising out of a potential conversion of these remaining FCCBs.

The US\$ 250 million FCCBs were disposed off over several tranches. In 2009, FCCBs of US\$128.0 million were repurchased and cancelled. In 2010, FCCBs of US\$ 13.4 million were converted into 1,310,081 equity shares of Rs.2/- each at a conversion price of Rs. 458.64 per share. This final transaction results in the complete redemption of the 2006 FCCBs. The Company has funded the total amount paid of US\$ 145.97 million from its internal cash position. This comprises of the outstanding value of US\$108.6 million and redemption premium of US\$ 37.37 million.

SHARE CAPITAL

During the period under review, the Company allotted 2,40,00,000 equity shares upon conversion of warrants into equivalent number of equity shares of Rs. 2/- each at a premium of Rs. 178/- per share aggregating to Rs.432.00 Crores to the Promoter/Promoter Group by way of a Preferential Allotment in accordance with Companies Act, 1956



read with SEBI Regulations. The Company has also issued and allotted 67,40,694 equity shares of Rs. 2/- each at a premium of Rs. 146.4/- per share upon conversion of FCCBs of US\$ 20.57 million out of FCCBs of US\$ 165 million and 7,33,254 equity shares of Rs. 2/- each at a premium of Rs. 456.64/- per share upon conversion of FCCBs of US\$ 7.5 million out of FCCBs of US\$ 250 million.

EXTERNAL COMMERCIAL BORROWINGS

During the year under review, the Company raised a foreign currency loan of US\$ 20 million for a period of 4 years and another loan of US\$ 20 million for a period of 6 years through External Commercial Borrowings ("ECBs") for capital expenditure of the Company.

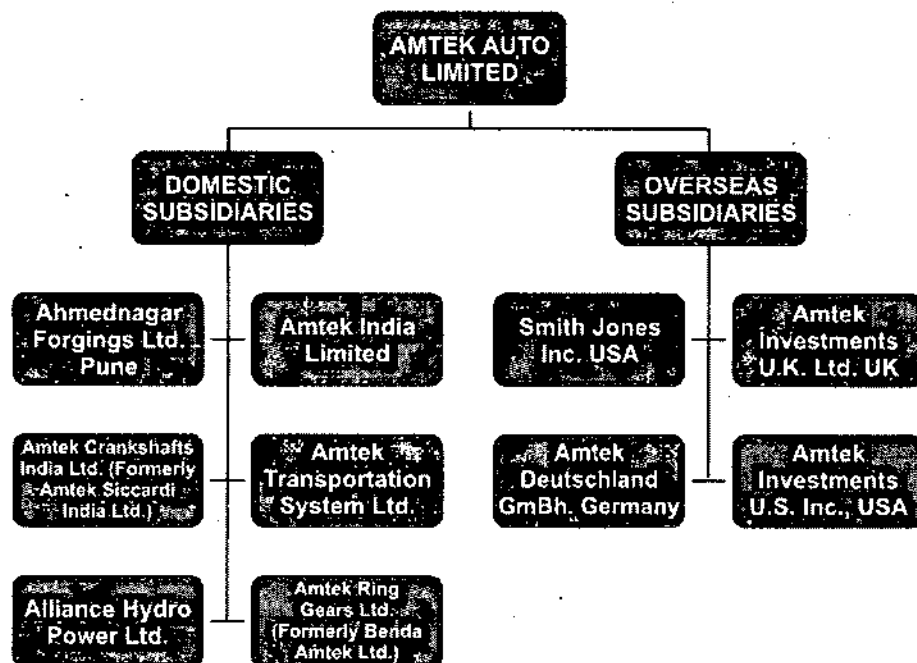
CREDIT RATING

Credit Analysis & Research Ltd. ("CARE") has assigned a CARE AA (CARE Double A) rating to the Non-Convertible Debentures (NCD's) issue of the Company for Rs. 800 Crores. The instruments carrying AA rating are considered to offer higher safety for the timely servicing of debt obligations. Such instruments carry relatively low credit risk

SUBSIDIARY COMPANIES

As of 30th June 2011, Your Company has following subsidiaries:-

- Smith Jones Inc., USA
- Amtek Investments U.K. Limited (UK)
- Amtek Deutschland GmbH, Germany
- Amtek Investments U.S. Inc. U.S.A.
- Amtek India Limited
- Ahmednagar Forgings Limited, Pune,
- Amtek Ring Gears Limited (formerly Benda Amtek Limited)
- Amtek Crankshafts India Limited (formerly Amtek Siccardi India Limited)
- Amtek Transportation Systems Limited
- Alliance Hydro Power Limited



As per the provisions of Section 212 of the Companies Act 1956, the Company is required to attach the Directors' Report, Balance Sheet, Profit & Loss Account and other information of the Subsidiary Companies to its Balance Sheet. However, the Ministry of Corporate Affairs, Government of India has vide its General Circular No. 2 and 3 dated 8th February, 2011



AMTEK AUTO LIMITED

and 21st February, 2011, respectively, granted a general exemption from compliance with section 212(8) of the Companies Act, 1956 from attaching the Annual Accounts of subsidiaries with the annual published accounts of the Company subject to fulfillment of conditions stipulated in the circulars. In compliance with the above circular, the Annual Accounts will be made available upon request by any interested investor of the Company/ Subsidiary. The Annual Accounts of the Subsidiary Companies will also be kept for inspection by any investor at the Registered Office of the Company and at the office of the respective Subsidiary Companies during business hours of the respective Companies.

Further as per the provisions of Section 212 of the Act, a statement of the holding Company's interest in the Subsidiary Companies is attached herewith and forms part of the Annual Report.

However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of each of its Subsidiaries.

DIRECTORS

In accordance with Section 255 read with Section 256 of Companies Act, 1956 and the Article of Association of the Company, Mr. Arvind Dham and Mr. John Flinham, Directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Brief resumes of Mr. Arvind Dham and Mr. John Flinham highlighting their industry expertise in specific functional areas, names of companies in which they hold directorships is provided in the notice forming part of Annual Report. Further, the name of the Companies in which they hold the memberships/chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreement is provided in the Corporate Governance Section of this Annual Report.

AUDITORS

The Statutory Auditors of the Company M/s Manoj Mohan & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting, are willing to be reappointed as the Statutory Auditor for the next financial year. A Certificate from the Statutory Auditors has 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 Annual Accounts, which are specifically referred to by the Statutory Auditors in their report, are self explanatory and therefore, do not call for any further comments.

SHARE CAPITAL AUDIT

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

The Share Capital Audit Reports as submitted by M/s Iqneet Kaur & Company, Company Secretaries, New Delhi, on a quarterly basis were 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, has 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 associate companies and its subsidiaries after the elimination of 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 and CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in dematerialized form. As on 30th June 2011, 21,57,89,676 equity shares representing 92.54% of your Company's equity share capital have been dematerialized.