

**20TH  
ANNUAL  
REPORT  
*2002-2003***





# AMTEK INDIA LIMITED

## 20th ANNUAL REPORT

2002 – 2003

### BOARD OF DIRECTORS

Shri ARVIND DHAM	Chairman
Shri V.K. SHARMA	Managing Director
Shri K.T. JAMES	
Shri D.S. MALIK	
Shri R.S. KATIYAR	
Shri SHEKHAR GUPTA	

#### Company Secretary

Shri Dinesh K. Chaudhary

#### Regd. Office & Works (Unit-I)

Village Narsinghpur, Old Manesar Road,  
District Gurgaon (Haryana)  
Ph. : (0124) 26373406, 26373407, 26373151  
26373152, 26370769  
Fax : (0124) 26373028  
E-mail : amtek@boi.net.in

#### Unit-II (Foundry Division)

SPA 1195, Phase IV, RIICO Industrial Area,  
District Bhiwadi, (Rajasthan)  
Ph. : (01493) 22028, 22029  
Fax : (0193) 22030  
E-mail : amtekfdy@satyam.net.in

#### Corporate Office

4, Bhanot Apartments,  
Local Shopping Centre,  
Pushp Vihar,  
New Delhi-110 062  
Ph. : (011) 29052281/1783, 26061767/68  
Fax : (011) 29054554  
E-mail : amtek@satyam.net.in  
web : <http://www.amtek-group.com>

#### Bankers

UCO Bank  
New Delhi-110 001

#### Auditors

M/s Manoj Mohan & Associates  
Chartered Accountants

#### Share Transfer Agent

M/s Beetal Financial & Computer  
Services (P) Ltd.  
321-S, Chirag Delhi,  
New Delhi-110017  
Ph.: 29255230/29250390  
Fax: 29252146

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## NOTICE

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

DAY	:	Saturday
DATE	:	27 <sup>th</sup> December, 2003
TIME	:	10.30 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 at 30<sup>th</sup> June, 2003 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditor's Reports thereon.
2. To appoint a Director in place of Mr. D. S. Malik, who retires by rotation and being eligible offers himself for re-appointment.
3. To declare dividend
4. To appoint auditors and to fix their remuneration

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary Resolution :-

"RESOLVED THAT Mr. Shekhar Gupta, who was appointed as an additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 be and is hereby appointed a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT MR. Mr. K. T. James, who was appointed as an additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 be and is hereby appointed a Director of the Company liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :-

"RESOLVED THAT MR. R. S. Katiyar, who was appointed as an additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 be and is hereby appointed a Director of the Company liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :-

"RESOLVED THAT pursuant to Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof, and all other statutory provisions, if any, the consent of the company be and is hereby accorded to the appointment of Mr. V.K. Sharma as Managing Director of the company for a period of five years with effect from 29<sup>th</sup> October, 2003 to 28<sup>th</sup> October, 2008, on the following terms and conditions:-

**(a) Period :**

Five Years (From 29<sup>th</sup> October, 2003 to 28<sup>th</sup> October, 2008)

**(b) Nature of Duties :**

Mr. V. K. Sharma, Managing Director, shall devote sufficient time and attention to the business of the company. He shall have control of and full executive responsibility for the general conduct and management of business and affairs of the Company. He shall exercise all such powers as may be granted and entrusted to or required by him for the proper discharge of his duties.

**(c) Remuneration:**

Mr. V. K. Sharma shall be entitled to the following emoluments, benefits and perquisites during the period of their employment subject to the ceiling limit laid down in Section 198, 309 and Schedule XIII of the Companies Act, 1956

**(i) Salary:**

Salary not exceeding Rs. 2 Lakhs per month to be fixed by the Board of Directors from time to time.

**(ii) Perquisites:**

Mr. V. K. Sharma will be entitled to following perquisites and allowances:-

**Category - A**

- Rent Free Furnished Accommodation or house rent allowance of 60% of salary in lieu thereof, furnishing allowance;
- Medical reimbursement and medical insurance for the said employee and his family;
- Club Fee (Subject to a Maximum of 2 clubs and not including admission and life membership fee)
- Insurance and any other general allowances and perquisites in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the said Employee.

For the above purpose "family" means the spouse and dependent children of the said Employee.

**Category - B**

- Contribution to Provident to the extent these singly or put together are not taxable under the Income Tax, 1956;
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- Encashment of leave at the end of the tenure.

**Category - C**

The Company shall provide and make available to the said employee a car of such horse power and make, as may from time to time be determined by the Company, and a driver, and shall bear and pay all garage rent, repairs, maintenance, running and other costs and charges whatsoever, in connection with the use of such car by the said Employee.

- The Company shall provide the said Employee with a telephone facility at his residence.
- Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites.
  - Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to the said employee.
  - The amount of the aforesaid perquisites and allowances will be restricted to an amount equal to the annual salary of the said Employee.

(iv) Where in any financial year the Company has no profit or profits are inadequate, the remuneration payable will be in accordance with the provisions of Section II of Schedule XIII to Companies Act, 1956, as may be amended from time to time.

(v) In the event of any increase in the limits of the emoluments, benefits and perquisites payable in accordance with the laws, policies, rules, regulations or guidelines in force from time to time, the Company may, in its discretion, increase the remuneration payable to them, subject to obtaining such approvals as may be required.



**(vi) Other Terms :**

- Mr. V.K. Sharma shall not become interested or otherwise concerned directly or through their wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- He shall be entitled to reimbursement of all actual expenses including on entertainment and traveling incurred in the course of the Company's business.
- The appointment may be terminated by Mr. V.K. Sharma or the Company by giving not less than three months' prior notice in writing.

By Order of the Board  
**For AMTEK INDIA LIMITED**

Place : New Delhi

Date : 27<sup>th</sup> November, 2003

**(Dinesh K. Chaudhary)**

Company Secretary

**NOTES :**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy form duly completed, stamped and signed should reach the Company's office at least 48 hours before the time of the meeting.
3. Relevant explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 5 to 8 is annexed hereto.
4. 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.
5. The Register of Members and the Share Transfer Books will remain closed from 22<sup>nd</sup> December, 2003 to 27<sup>th</sup> December, 2003 (both days inclusive).
6. Members are requested to furnish bank details by 22<sup>th</sup> December, 2003 in order to enable to 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.
7. 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.
8. 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.
9. Members who hold shares in de-materialised form are requested to bring their client ID and DP ID number for the purpose of identification for attendance at the meeting.
10. 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 27<sup>th</sup> December, 2003.

**INFORMATIONS 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          | : | Mr. Deshpal Singh Malik  |
| 2. Date of Birth | : | 13 <sup>TH</sup> May, 1950   |
| 3. Qualification | : | B. E. (Mechanical)   |
| 4. Profession    | : | Service  |
| 5. Expertise     | : | Specialisation in Project Engineering, Production of Scooters, tractors and auto ancillary products, |

Industrial Engineering, Process Engineering and  
Material Management.

6. Other Directorships : Amtek Auto Limited  
WHF Precision Forgings Limited  
Benda Amtek Limited  
Ahmednagar Forging Limited

- 
1. Name : Mr. Shekhar Gupta  
2. Date of Birth : 04 - 04 - 1964  
3. Qualification : B. E. (Metallurgical)  
4. Profession : Service  
5. Expertise : Specialisation in Quality Engineering, Industrial Engineering and Process Engineering.  
6. Other Directorship : Nil
- 

1. Name : Mr. K.T. James  
2. Date of Birth : 01 - 12 - 1956  
3. Qualification : M. Com.  
4. Profession : Service  
5. Expertise : Accounting and financial matters.  
6. Other Directorship : Nil
- 

1. Name : Mr. R.S. Katiyar  
2. Date of Birth : 10 - 09 - 1947  
3. Qualification : B. E. (Mech.)  
4. Profession : Service  
5. Expertise : Specialisation in setting up of new project, Production of Sheet Metal/Machinery Components.  
6. Other Directorship : Nil
- 

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

##### ITEM NO. 5

Mr. Shekhar Gupta was co-opted as an Additional Directors in the Board Meeting held on 29<sup>th</sup> April, 2003 and holds office upto the date of the Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member alongwith requisite deposit, signifying his intention to propose the name of Mr. Shekhar Gupta as a candidate for the office of Director of the Company. Mr. Shekhar Gupta aged about 40 years is a graduate from Ravishankar University, Raipur (M.P.) in Metallurgical Engg. He is a Mechanical Engineer with first division. He has 18 years vast experience to his credit. His guidance and advice has played a major role in the progress of the company. He has worked with various reputed companies in senior postions.

The Board considers it desirable that the Company should continue to avail services of Mr. Shekhar Gupta as a Director and accordingly recommends this resolution for your approval.

None of the Directors except Mr. Shekhar Gupta is concerned or interested in the said resolution.

**ITEM NO. 6**

Mr. K.T. James was co-opted as an Additional Director in the Board Meeting held on 29<sup>th</sup> April, 2003 and holds office upto the date of the Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member alongwith requisite deposit, signifying his intention to propose the name of Mr. K.T. James as a candidate for the office of Director of the Company. Mr. K.T. James aged about 46 years has a vast and rich experience of more than 25 years experience in the field of accounts and finance. His guidance and advice has contributed to the progress of the company.

The Board considers it desirable that the Company should continue to avail services of Mr. K.T. James as a Director and accordingly recommends this resolution for your approval.

None of the Directors except Mr. K.T. James is concerned or interested in the said resolution.

**ITEM NO. 7.**

Mr. R.S. Katiyar was co-opted as an Additional Director in the Board Meeting held on 29<sup>th</sup> April, 2003 and holds office upto the date of the Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member along with requisite deposit, signifying his intention to propose the name of Mr. R.S. Katiyar as a candidate for the office of Director of the Company. Mr. R.S. Katiyar is aged about 56 years is a Mechanical Engineer by profession having more than 31 years experience in the auto industry. He has worked with various reputed companies in senior positions. He has specialisation in setting up of new auto components manufacturing projects.

The Board considers it desirable that the Company should continue to avail services of Mr. R.S. Katiyar as a Director and accordingly recommends this resolution for your approval.

None of the Directors except Mr. R.S. Katiyar is concerned or interested in the said resolution.

**ITEM NO. 8**

Mr. V.K. Sharma was appointed as a Managing Director of the company by the Board of Directors by passing a resolution on 29<sup>th</sup> October, 2003 on the terms and conditions mentioned in the concerned resolution .

The terms and conditions governing the remuneration have been approved by the Remuneration Committee.

The appointment of Mr. V.K. Sharma as a Managing Director and the remuneration mentioned above are subject to your approval.

In compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolution as set out in item 8 of the accompanying notice is now being placed before the members in the General Meeting for their approval.

None of the Directors, except Mr. V.K. Sharma is concerned or interested in the said Ordinary Resolution.

By Order of the Board  
**For AMTEK INDIA LIMITED**

Place : New Delhi  
Date : 27<sup>th</sup> November, 2003

**(Dinesh K. Chaudhary)**  
Company Secretary

# DIRECTORS' REPORT

TO

THE MEMBERS,

**AMTEK INDIA LIMITED**

Your Directors have pleasure in presenting the 20<sup>TH</sup> Annual Report and the Audited Accounts of the Company for the year ended 30<sup>th</sup> June, 2003.

## FINANCIAL RESULTS

(Rs. In Mn.)

PARTICULARS	YEAR ENDED 30.06.03	YEAR ENDED 30.06.02
Sales and other Income	2089.43	1399.73
Less :		
Expenditure	1738.26	1135.95
Gross Profit Before Depreciation	351.17	263.78
Less : Depreciation	123.48	70.23
Profit Before Tax	227.69	193.55
Less : Provisions for Taxation	19.11	14.45
Net Profit after Tax	208.58	179.10
Provision for Deferred Tax	62.37	48.16
Profit after Deferred Tax	146.21	130.94
Accumulated Profit B/F	58.53	14.27
Amount Available for appropriation	204.74	145.21
<b>Appropriation :</b>		
General Reserve	53.00	63.00
Reserve for Debenture	95.00	---
Reserve for Preference Shares	16.67	---
Preference Dividend	6.18	---
Dividend on Equity Shares	23.68	23.68
Corporate Dividend Tax	3.21	---
Net profit Transferred-		
To Balance sheet	7.00	58.53

## PERFORMANCE

During the period under review, the company has achieved encouraging results. The company has recorded turnover of Rs. 2089.43 million with a net profit of Rs. 146.21 million as against turnover of Rs. 1399.73 million with a net profit of Rs. 130.94 million in the previous year. Cash profit has been recorded at Rs. 269.69 million. The Company has a healthy reserves figure of Rs. 1059.84 millions.

## DIVIDEND

Yours Directors are pleased to recommend a Dividend of 20% on the paid-up Equity Share Capital of the Company. The dividend is free of tax in the hands of the shareholders.

## DEBT SWAPPING

During the year under review, the company successfully completed its debt swapping exercise which involved repayment of its term loan carrying coupon rate of 13.5 by issue of NCDs at an effective rate of interest of 8.50%. This will result in an yearly saving of around Rs. 13 Crores in interest cost.



**INVESTOR RELATIONS**

Your Company always endeavors to give immediate attention to shareholders' requests/grievances. High priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply at the earliest. The Shareholders'/ Investors' Grievances Committee of the Board meets periodically and reviews the status of the redressal of investors' grievances.

**FIXED DEPOSITS**

During the period under review, the Company continued to accept 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 mandatorily, in de – materialized form. As on date 3355744 representing 28.34 % of your Company's Equity shares capital have been de-materialised.

**LISTING AT STOCK EXCHANGE**

The shares of company are listed on The Delhi Stock Exchange Association Limited and The Stock Exchange, Mumbai.

The company has paid the annual listing fee to the Stock exchanges for the year 2003 - 2004.

**STATUTORY INFORMATION**

- Particulars of Employees Under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are – NIL.
- 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 thereunder 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 (Annexure-I).
- 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. (Annexure-II).
- As required under clause 45VA of the listing Agreement, Management Discussion and Analysis Report is Annexed and forms part of this report (Annexure-III).

**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, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 period under review;
- 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 and for preventing and detecting fraud and other irregularities; and
- That the Directors had prepared the annual accounts on a going concern basis.

**DIRECTORS**

Mr. D.S. Malik retires at the ensuing Annual General meeting and being eligible offers himself for reappointment. Brief particulars of his resume are given in the Notice of Annual General Meeting.

Mr. R. S. Katiyar, Mr K.T. James & Mr. Shekhar Gupta who were appointed as additional directors vacate their offices at the ensuing Annual General Meeting. The company has received representations from the members of the company along with deposits as required under the provisions of Section 257 of the Companies Act, 1956

expressing their intention to propose the appointment of Mr. R. S. Katiyar, Mr. K.T. James and Mr. Shekhar Gupta as Directors of the company.

The Board of Directors has appointed Mr. V.K. Sharma as Managing Director of the company for a period of five years with effect from 29<sup>th</sup> October, 2003. A proposal for the appointment of Mr. V.K. Sharma as Managing Director is being placed before members for approval at the Annual General Meeting.

#### **AUDITORS**

M/s Manoj Mohan & Associates, Chartered Accountants, the Statutory Auditors of the company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have confirmed their eligibility to act as auditors of the Company under Section 224(1B) of the Companies Act, 1956.

#### **INDUSTRIAL RELATIONS**

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

#### **EMPLOYEE WELFARE**

Your Company demonstrated that it is a caring organization by continuing to devise and implement several welfare measures for the employees and their families. Employee welfare programmes and schemes were implemented with utmost zeal and they were constantly reviewed and improvements were made wherever necessary.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record the sincere and dedicated efforts of all the staff members of the company who have worked as a team and made it possible to achieve such an 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 for their continued support and assistance.

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

By Order of the Board  
For AMTEK INDIA LIMITED



Place : New Delhi  
Date : 27<sup>th</sup> November, 2003

Sd /-  
(ARVIND DHAM)  
CHAIRMAN