

**24th
ANNUAL
REPORT
*2006 - 2007***





AMTEK INDIA LIMITED

24th ANNUAL REPORT

2006 – 2007

BOARD OF DIRECTORS

Mr. ARVIND DHAM	<i>Chairman</i>
Mr. V.K. SHARMA	<i>Managing Director</i>
Mr. K.T. JAMES	<i>Director</i>
Mr. D.S. MALIK	<i>Director</i>
Mr. R.S. KATIYAR	<i>Director</i>
Mr. SHEKHAR GUPTA	<i>Director</i>

Company Secretary

Ms. Sangeeta Mehta

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Regd. Office & Works (Unit-I)

Village Narsinghpur, Old Manesar Road,
District Gurgaon (Haryana)

Ph. : (0124) 26373406, 26373407, 26373151,
26373152, 26370769

Fax : (0124) 26373028

Unit-II (Foundry Division)

SPA 1195, Phase-IV, RIICO Industrial Area,
District Bhiwadi, (Rajasthan)

Ph. : (01493) 222028, 222029

Fax : (01493) 222030

Unit-III

Nalagarh, Distt. Solan (Himachal Pradesh)

Unit-IV

SPA 502, Phase-I, RIICO Industrial Area,
District Bhiwadi, (Rajasthan)

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 : info@amtek.com

web : <http://www.amtek.com>

Bankers

UCO Bank
United Bank of India

Auditors

M/s Manoj Mohan & Associates

Chartered Accountants

Share Transfer Agent

M/s Beetal Financial &
Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99,
Madangir, Behind L.S.C.,
Near Dada Harsukh Dass Mandir,
New Delhi-110062

Ph.: 29961281-82, Fax: 29961284

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on:-

Day	:	Monday
Date	:	31st December, 2007
Time	:	11.30 A.M.
Venue	:	Plot No. 16, Industrial Estate, Rozka Meo, Sohna, Gurgaon (Haryana)

To transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June 2007 together with Profit and Loss Account for the year ended on that date, and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Arvind Dham, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. K. T. James, who retires by rotation and is eligible for re-appointment.
4. To declare dividend.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting.

SPECIAL BUSINESS:

6. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, the Authorised share capital of the Company be and is hereby increased from Rs. 30,00,00,000 (Thirty Crores) divided into 12,50,00,000 (Twelve Crores Fifty Lacs) Equity Shares of Rs. 2/- each and 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- each to Rs. 35,00,00,000 (Thirty-five Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.2/- each and 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- each.

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

7. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:-**

"RESOLVED THAT pursuant to the provisions of the section 16 of the Companies Act, 1956 the existing clause (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. 35,00,00,000 (Rupees Thirty Five Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs. 2/- each and 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- each.

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

8. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby substituted and read as under :-

"The Authorised Share Capital of the Company is Rs. 35,00,00,000 (Rupees Thirty Five Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs. 2/- each and 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- each with the power to increase or reduce the same in accordance with the provisions of the Act."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters that may be necessary, desirable or expedient for giving effect to the aforesaid resolution."

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

"Resolved that pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the rules/ regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India and/or any other regulatory authority, the listing agreement entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of appropriate authorities, institutions or bodies, as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee of the Board constituted/to be constituted to exercise its powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to issue and allot upto 55,00,000 Equity Shares of Rs.2/- per share at a premium of Rs.173/- aggregating to Rs.96,25,00,000/- to promoters group companies by way of preferential issue.

Resolved Further That the relevant date for pricing of the shares is 30 days (i.e. 1st December 2007) prior to the date of Annual General Meeting as per clause 13.1.1.1 of SEBI (Disclosure & Investor Protection) Guidelines, 2000.

Resolved Further That the equity shares so issued shall rank pari passu with the then existing equity shares of the Company in all respects.

Resolved Further That for the purpose of giving effect to the issue or allotment of equity shares, the Board be and is hereby authorised on behalf of the Company to take actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in the proposed issue, offer and allotment of the equity shares, including utilization of the issue proceeds, without being required to seek any further consent or approval of shareholders or otherwise to the end and intent that shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved Further That the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or Company Secretary of the Company to give effect to this resolution.

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

Place : New Delhi
Date : 1st December 2007

Sd/-
(V. K. SHARMA)
Managing Director

NOTES :

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto
2. **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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

3. **THE PROXY FORM IN ORDER TO BE EFFECTIVE DULY COMPLETED, STAMPED AND SIGNED SHOULD REACH THE COMPANY'S OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
4. All documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M.
5. The Register of Members and Share Transfer Book of the Company will remain closed from 26th December 2007 to 31st December 2007 (both days inclusive).
6. Members are requested to furnish bank details by 15th December 2007 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 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 signature in the attendance slip, Duplicate Attendance Slip will be issued at the Registered Office of the Company upto a day proceeding the day of Annual General Meeting.
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 and attendance at the meeting.
10. The dividend, as recommended by the Board of Directors, if declared at this Annual General Meeting shall be paid on or before January 30, 2008.
 - a. To those shareholders whose names appear on the company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Registrar & Transfer Agents (R&T Agents) of the company on or before 26th December 2007.
 - b. In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business of 26th December, 2007. In respect of shares held in demat mode, the dividend will be paid on the basis of beneficial ownership as per details to be furnished by NSDL and CDSL for this purpose.
11. Pursuant to the provisions of section 205A (5) of the companies Act, 1956, dividends for the financial year ended 31st March 1995 and thereafter, which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and protection fund established by the Central Government. Shareholders who have not en-cashed their dividend warrant(s) so far for the financial year ended 31 March 2000 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.
12. Consequent upon the introduction of section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in form No. 2B in duplicate (which will be made available on request) to the R&T Agents of the company.
13. **Electronic Clearing Services (ECS) facility**

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

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

Name	Mr. Arvind Dham
Date of Birth	15th March 1961
Qualification	B. Arch., MBA
Profession	Industrialist
Expertise	Setting up of new projects
Other Directorships	Amtek Auto Limited Ahmednagar Forgings Limited Amtek Ring Gears Limited Amtek Crank Shaft (India) Limited Amtek Casting India Limited WHF Precision Forgings Limited Symbios Personnel Advices and Services Limited
Shareholding in the Company	3,87,000 shares

Name	Mr. K.T. James
Date of Birth	1st December 1956
Qualification	M. Com
Profession	Service
Expertise	Vast experience in the field of Accounts and Finance matter
Other Directorships	Adhbhut Industrial Resources Limited Alliance Hydro Power Limited Amtek Casting (India) Limited IKEIL Metals (P) Limited Rollatainers Limited
Shareholding in the Company	Nil

Annexure to Notice
Explanatory statement pursuant to section 173(2) of the Companies Act, 1956
ITEM NO. 6

In connection with the proposed preferential issue of shares, the company proposes to increase its Authorised Share Capital. The existing Authorised Share Capital of the company is Rs. 30 Crores and it is proposed to increase the Authorised capital to Rs. 35 Crores.

Consequent to increase in the Authorised share capital, it is necessary to change the existing Capital clause of the Memorandum of Association and Article 3 of the Articles of Association of the company.

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

ITEM NO. 7 & 8

Pursuant to Section 16 and 31 of the Companies Act, 1956 read with Section 94 of the said Act, the above said 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.

Consequent to increase in Authorised Share Capital of the company, it is necessary to make amendments/ replacements/alterations in the existing Article 3 of the Articles of Association of the company. Therefore, it is proposed to make the required amendments/ replacements/alterations in the existing Article 3 of the Articles of Association of the company.

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

Item No. 9

The Special Resolution concerns proposal by the Company to issue, offer and allot upto 55,00,000 Equity Shares of Rs.2/- per share at a premium of Rs. 173/- Per share representing 4.96% of the expanded capital to the promoter group companies. The shares are being issued to augment long term resources of the Company for meeting the fund requirements of existing and new business, strategic acquisitions and investments and for general corporate purposes in accordance with the "guidelines for Preferential Issues" contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

The information required to be given in the notice calling Annual General Meeting pursuant to SEBI (Disclosure & Investor Protection) Guidelines, is as under:-

I. The Object of the Issue through preferential offer

The Preferential shares are being issued to augment long term resources of the Company for meeting the fund requirements of existing and new business, strategic acquisitions and investments and for general corporate purposes in accordance with the "guidelines for Preferential Issues" contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

II. Intentions of promoters/directors/key management persons to subscribe to the offer

The promoters group companies intend to fully subscribe the proposed preferential issue.

III. Shareholding pattern before and after the offer

	Pre Issue Holding		Post Issue Holding	
	No. of Shares	%	No. of Shares	%
Promoter Group				
Acquirers	8136810	7.71	13636810	12.29
Others	24973900	23.68	24973900	22.50
Total Holding of Promoter Group	33110710	31.39	38610710	34.79
MFs/Banks/FIs/FIs	65677204	62.27	65677204	59.18
Private Bodies Corporate	1633811	1.55	1633811	1.48
General Public	5049271	4.79	5049271	4.55
Total	105470996	100.00	110970996	100.00

Consequent to the issue of aforesaid shares there will be no change in the Board of Directors of the Company and control over the Company. The Voting right would change in tandem with shareholding pattern of the Company.

IV. Proposed time within which the allotment shall be complete.

The allotment of equity shares shall be completed within 15 days from the date of passing of resolution granting consent for preferential issue by the shareholders of the Company.

If allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

V. Identity of the proposed allottees and percentage of post preferential issued capital

Name of the allottees	Pre Preferential Issue Holding		Post Preferential Issue Holding	
	No.	%	No.	%
AMTEK TELEFILMS LTD.	2750000	2.61	4250000	3.83
AMTEK PHARMACEUTICALS LTD.	2325000	2.20	3825000	3.45
AMTEK TECHNOLOGIES & SOLUTION LTD.	2500000	2.37	4000000	3.60
BAWA PHARMACEUTICALS PVT. LTD.	561810	0.53	1561810	1.41

Pricing of the Issue

The issue price of share has been calculated as per the provisions of SEBI (Disclosure & Investor Protection) Guidelines, 2000 and 1st December 2007 has been taken as relevant date. The Issue price of share is Rs.2/- per share at a premium of Rs 173/- per share.

The allottees of above said preferential shares have not sold/transferred any shares within six months prior to relevant date (i.e. 1st December 2007).

The Auditor's certificate certifying that the issue of equity shares is being made in accordance with the Guidelines will be available for inspection at the Registered Office of the Company during 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays) prior to the date of meeting.

The equity shares issued pursuant to the Resolution shall rank pari passu in all respects with the then existing equity shares of the Company and will be listed on Stock Exchanges where the equity shares of the company are listed.

The Board recommends the Special Resolution as set out in the Notice for members' approval.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

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

Place : New Delhi
Date : 1st December 2007

Sd/-
(V. K. SHARMA)
Managing Director

DIRECTORS' REPORT

To

The Members,
AMTEK INDIA LIMITED

Your Directors have pleasure in presenting the Twenty Fourth Annual Report and the Audited Accounts of the Company for the year ended 30th June 2007.

FINANCIAL RESULTS

(Rs. in lacs)

PARTICULARS	Year ended 30th June 2007	Year ended 30th June 2006
Sales/Income		
Sales/Income from Operations	77,270.39	49,128.80
Expenditures	57,076.22	37,022.79
Gross Profit Before Depreciation	20,194.17	12,106.01
Deprecation	3,588.32	2,803.00
Profit Before Tax	16,605.85	9,303.01
Provisions for Taxation	1,873.18	841.62
Profit after Tax	14,732.67	8,461.39
Provision for Deferred Tax	3,016.36	1,791.54
Profit after Deferred Tax	11,716.31	6,669.85
Add: Accumulated Profit	502.31	2,457.48
Balance available for appropriation	12,218.62	9,127.33
APPROPRIATIONS:		
Transfer to General Reserve	7,000.00	7,000.00
Transfer to Debenture Redemption Reserve	-	950.00
Proposed Dividend on Equity Shares	920.51	591.99
Dividend on Preference Shares	-	-
Provision for Tax & CESS on dividend	156.44	83.03
Surplus carried to Balance Sheet	4,141.67	502.31

PERFORMANCE

During the year under review, the Company has recorded a turnover of Rs. 77,270.39 lacs as against a turnover of Rs. 49,128.80 lacs, thus recording a growth of more than 57% over the previous year. The Profit after Tax of the Company for the year stands at Rs. 11,716.31 lacs as against the corresponding year figure of Rs. 6,669.85 lacs thus reflecting a growth of more than 75% over the previous year. The Company has strong reserve position of Rs. 78,953.50 lacs.

DIVIDEND

Yours Directors are pleased to recommend a Dividend @ 50% for the year 2006-07 i.e. Re. 1/- Per equity share of Rs. 2/- each. The Proposed dividend if approved at the ensuing Annual General Meeting, would result in appropriation of Rs. 1076.95 Lacs (including Corporate Dividend Tax of Rs. 156.44 Lacs) out of the profits. The Company has made transfer of Rs. 7000 Lacs to the General Reserve. The total appropriation of dividend of Rs. 1076.95 Lacs gives 9.19% pay out on net profit of the Company.

The Register of members and share transfer books shall remain closed from 26th December 2007 to 31st December 2007 (both days inclusive), for the purpose of Annual General Meeting and payment of Dividend.

EXPANSION

During the year under review, the Company has expanded its casting capacity from 30000 t.p.a. to 75000 t.p.a.

FUTURE PLANS

The Company plan to expand its casting capacities from 75,000 t.p.a. to 1,35,000 t.p.a. by the end of this fiscal and is transferring Sigmacast's 30,000 t.p.a. product line which will be operational in next six months, thereby leading to a huge capacity build up 1,65,000 t.p.a.. This will lead to large scale economics and hence better margins.

The Company is also planning to foray into high precision components like cylinder blocks of bigger engines, cylinder heads, transmission covers etc. that command better margins. This will ensure sustainability of higher margins in the years to come.

TECHNICAL COLLABORATION AGREEMENT WITH TEKSID S.P.A. OF ITALY

Subsequent to the Year under review, the Company signed a technical collaboration agreement with Teksid S.p.A. based in Turin, Italy. Teksid is a world leader in the production of iron castings for the automotive industry with operations spread out in Europe, North and South America and Asia.

Teksid Iron Foundries are a world leading manufacturer of grey and nodular iron castings, whose quality is continuously tuned with the ever more exacting demands of the world-wide automotive industry. Main products are: grey iron cylinder blocks for light vehicles, engine blocks and heads for trucks engine, SiMo exhaust manifolds; nodular iron crankshafts, camshafts, steering knuckles, suspension arms, differential cases.

This technical collaboration agreement with Teksid will provide the Company access to cutting edge technology for the manufacture of 1.3 Litre Small Diesel Engine Blocks in India. The Company is currently single source for the supply of these engine blocks to passenger car manufacturers in India like Maruti Suzuki, Tata - Fiat and TATA Motors. As per the Industry forecasts the sales of passenger cars powered with small diesel engines is going to increase substantially over the next few years and is expected to exceed 500,000 units within next 2 to 3 years alone.

This technical collaboration agreement will be another milestone for the Company and a step forward in the direction of upgrading its technical expertise in the manufacturing of iron cast small diesel engine blocks for the Indian automotive industry as well as attaining world class technological edge in automotive manufacturing, besides the benefits strong sales growth due to the fast growing diesel engine market in India.

CONVERSION OF FCCBs:

Out of the Foreign Currency convertible Bonds of US\$ 100 Million issued in 2005, the Bonds holders of US\$ 52.94 million have already exercised their option to convert their FCCBs into equity shares and the Company has allotted 1,93,54,261 equity shares of Rs. 2/- each at a conversion price of Rs. 120.12 per share pursuant to the terms of Offering Circular.

SUBSIDIARY COMPANY

As of 30th June 2007, the Company has one subsidiary i.e. Amtek Industries Limited. In terms of approval granted by the Central Government under section 212 (8) of the Companies Act, 1956, copy of the Balance Sheet, Profit and Loss Account and other documents of subsidiary of the Company have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company interested in obtaining the same. However, pursuant to Accounting Standard AS-21, Consolidated Financial Statements presented by the Company include Financial Results of its subsidiary.

DIRECTORS

Mr. Arvind Dham and Mr. K. T. James retire at the ensuing Annual General meeting and being eligible offer themselves for re-appointment.

Brief resume of the Directors proposed to be reappointed, 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, are provided in notice forming part of the Annual Report.