

**25th
ANNUAL
REPORT
*2007-2008***





AMTEK INDIA LIMITED

25th ANNUAL REPORT

2007 – 2008

BOARD OF DIRECTORS

Mr. ARVIND DHAM	<i>Chairman</i>
Mr. V.K. SHARMA	<i>Managing Director</i>
Mr. GAUTAM MALHOTRA	<i>Joint 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

Mrs. Monika Sachdeva

CONTENTS

Notice	3
Directors' Report.....	10
Corporate Governance Report.....	15
Management Discussion & Analysis Report	26
Auditor's Report	29
Balance Sheet.....	32
Profit & Loss Account.....	33
Cash Flow Statement	34
Annexures	35
Financial Summary Relating to Subsidiaries	51
Consolidated	53

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 Fifth Annual General Meeting of the members of Amtek India Limited will be held at Plot No. 16, Industrial Estate, Rozka Meo, Sohna, Gurgaon (Haryana) on Wednesday, 31st December 2008 at 11.30 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 2008, 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. D.S. Malik, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shekhar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare dividend.
5. To appoint Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the 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 Section 198, 269, 309, 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. V.K. Sharma be and is hereby re-appointed as Managing Director of the Company with effect from 29th October 2008 for a period of Five years on the following terms and conditions :

(a) Period

Five Years (From 29th October 2008 to 28th October 2013)

(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 following emoluments, benefits and perquisites during the period of his employment subject to the ceiling laid down in Section 198, 309 and Schedule XIII of the Companies Act, 1956.

(d) Salary :

Salary not exceeding Rs 5.0 Lakhs per month to be fixed by the Board of Directors from time to time.

(e) 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;
- Medical reimbursement and medical insurance for him and his family;
- Club Fee (Subject to a Maximum of 3 Clubs and not including admission and life membership fee)
- Insurance and any other general allowance and perquisites in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
- For the above purpose "family" means spouse and dependent children of the said employee.

Category – B

- Contribution to Provident Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961;
- 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 a car of such horse power and make, as may from time to time be determined by the Company, along with 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 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.
 - The amount of the aforesaid perquisites and allowances will be restricted to an amount equal to the annual salary.

(f) 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.

(g) 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 him, subject to obtaining such approvals as may be required.

(h) Other Terms :

- He shall not become interested or otherwise concerned directly or through his wife and 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."

"RESOLVED FURTHER that in the event of no profit or the profit of the Company being inadequate, the Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limit specified above and shall be entitled for Annual increments as per the Rules and Policies of the Company."

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

"RESOLVED THAT Mr. Gautam Malhotra, 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 term 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 in writing proposing his candidature for the office of director, be and is hereby appointed as Non-rotational Director of the Company."

8. To consider and If thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to Section 198, 269, 309, 310 read with Schedule XIII 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, Mr. Gautam Malhotra be and is hereby appointed as Joint Managing Director of the Company with effect from 31st January 2008 to 30th January 2013 for a period of five year on the following terms and conditions:-

(a) Period

Five Years (From 31st January 2008 to 30th January 2013)

(b) Nature of Duties

Mr. Gautam Malhotra, Joint Managing Director, shall devote sufficient time and attention to the business of the Company. He shall have control of and bear 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. Gautam Malhotra, shall be entitled to following emoluments, benefits and perquisites during the period of his employment subject to the ceiling limit laid down in Section 198, 309 and Schedule XIII of the Companies Act, 1956.

(d) Salary :

Salary not exceeding Rs. 4.0 lacs per month to be fixed by the Board of Directors from time to time.

(e) Perquisites :

Mr. Gautam Malhotra 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;
- Medical reimbursement and medical insurance for the said employee and his family;
- Club Fee (Subject to a Maximum of 3 Clubs and not including admission and life membership fee)
- Insurance and any other general allowance 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 spouse and dependent children of the said employee.

Category – B

- Contribution to Provident Fund 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, along with 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 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.

(f) 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.

(g) 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 him, subject to obtaining such approvals as may be required.

(h) Other Terms :

- He shall not become interested or otherwise concerned directly or through his wife and/or 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. Gautam Malhotra or the Company by giving not less than three months prior notice in writing."

"RESOLVED FURTHER that in the event of no profit or the profit of the Company being inadequate, the Joint Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limit specified the limit above and shall be entitled for annual increments as per the Rules and Policies of the Company."

By order of the Board
For AMTEK INDIA LIMITED

Place : New Delhi
Date : 1st December 2008

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 INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE NOT LESS THAN FORTY EIGHT 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 Saturday, 27th December 2008 to Wednesday, 31st December 2008 (both days inclusive) to decide the entitlement of Members for payment of dividend that may be declared at the Annual General Meeting.
6. Members are requested to furnish/update their Bank Accounts 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.
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 preceding 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, 2009:-
 - 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 December 27, 2008.

- 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 on December 27, 2008. 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 have 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 31st March 2001 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. D.S. Malik
Date of Birth	13th May 1950
Qualification	B.E. (Mechanical)
Profession	Service
Expertise	Specialisation in Project Engineering, Production of Scooters, tractors and auto ancillary products, Industrial Engineering, Process Engineering and Material Engineering.
Other Directorships	Amtek Auto Limited Ahmednagar Forgings Limited. Amtek Tekfor Automotive Limited WHF Precision Forgings Limited Adhbhut Infrastructure Limited Alliance Hydro Power Limited Amtek Infrastructure Limited Amtek Railcar Limited

Name	Mr. Shekhar Gupta
Date of Birth	04th April 1964
Qualification	B.E. (Metallurgical)
Profession	Service

Expertise	Specialisation in Quality Engineering, Industrial Engineering and Process Engineering
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Other Directorships	Nil
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Name	Mr. Gautam Malhotra
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Date of Birth	3rd March 1979
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Qualification	B.E. & M.B.A.
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Profession	Business
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Expertise	Marketing & Finance
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Other Directorships	Ahmednagar Forgings Limited. Alliance Integrated Metaliks Limited W.L.D. Investment Pvt. Ltd.
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Annexure to Notice

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

ITEM NO. 6

Mr V. K. Sharma was appointed as Managing Director of the Company on October 29, 2003 for a period of five years, which was approved by the members at the Annual General Meeting held on December 27, 2003. As per the terms and conditions, the tenure of Mr. V.K. Sharma expires on October 28, 2008. However, the Board as a part of reconstitution of the Executive Management Structure, re-appointed him as Managing Director of the company for a period of 5 years with effect from 29th October 2008 on the terms and conditions set out in the notice. As the Managing Director of the Company, Mr V.K. Sharma takes care of Corporate strategy and Brand equity, external contacts and other management matters in addition to the previous tasks of achieving annual business plans. The proposed resolution set out at item No-6 and this explanatory statement may be treated as an abstract of the terms and conditions of re-appointment and remuneration payable to Mr V.K. Sharma, in terms of section 302 of the Companies Act, 1956.

Except Mr V. K. Sharma, no other Director is concerned or interested in the Resolution. Your Directors, therefore, recommend the Resolution for your approval.

ITEM NO. 7

Mr. Gautam Malhotra was appointed as an Additional Director in the Board Meeting held on 31st January 2008 and holds office upto the date of 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. Gautam Malhotra as a candidate for the office of Director of the Company.

The Board considers it desirable that the Company should continue to avail services of Mr. Gautam Malhotra as a Director and accordingly a resolution seeking confirmation of the shareholders for his appointment as Director is being moved at the ensuing Annual General Meeting of the company. Your Directors, therefore, recommend the Resolution for your approval.

None of the Directors except Mr. Gautam Malhotra is concerned or interested in the said resolution.

ITEM NO. 8

Mr. Gautam Malhotra was appointed as Joint Managing Director of the Company on January 31, 2008 for a period of five years, as per the terms and conditions set out in the notice. The Board as a part of reconstitution of the Executive Management Structure, appointed him as Joint Managing Director. With this latest appointment, Company has further strengthened its top management team. As the Joint Managing Director of the Company, Mr Gautam Malhotra takes care of corporate strategy, external contacts and other management matters.

The proposed resolution set out at item No-8 and this explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Mr Gautam Malhotra, in terms of section 302 of the Companies Act, 1956.

Except Mr. Gautam Malhotra, no other Director is concerned or interested in the Resolution. Your Directors, therefore, recommend the Resolution for your approval.

By order of the Board
For AMTEK INDIA LIMITED

Place : New Delhi
Date : 1st December 2008

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



DIRECTORS' REPORT

To
The Members,
AMTEK INDIA LIMITED

Your Directors have pleasure in presenting the Twenty Fifth Annual Report and the Audited Accounts of the Company for the year ended 30th June 2008.

FINANCIAL RESULTS

(Rs. in lacs)

PARTICULARS	Year ended 30th June, 2008	Year ended 30th June, 2007
Total Income	122,826.77	77,270.39
Expenditures	74,971.61	57,076.22
Gross Profit Before Depreciation	47,855.16	20,194.17
Depreciation	5,327.57	3,588.32
Profit Before Tax	42,527.59	16,605.85
Tax Expenses	7,833.53	4,889.54
Profit after Tax	34,694.06	11,716.31
Add: Accumulated Profit	4,141.67	502.31
Balance available for appropriation	38,835.73	12,218.62
APPROPRIATIONS:		
Transfer to General Reserve	30,000.00	7,000.00
Transfer to FCCB Redemption Reserve	6,270.00	0.00
Proposed Dividend on Equity Shares	224.32	920.51
Corporate Dividend Tax	38.12	156.44
Dividend and Tax for previous year (Not appropriated in Previous year)	160.22	–
Surplus carried to Balance Sheet	2,143.07	4,141.67

PERFORMANCE

The turnover of the Company for the year under review was Rs.122,826.77 lacs as against a turnover of Rs. 77,270.39 lacs, thus recording a growth of more than 58.95% over the previous year. The Profit after Tax of the Company for the year stands at Rs. 34,694.06 lacs as against the corresponding year figure of Rs. 11,716.31 lacs thus reflecting a growth of more than 196% over the previous year. The Company has strong reserve position of Rs. 139,985.64 lacs.

DIVIDEND

Yours Directors are pleased to recommend a Dividend @ 10% for the year 2007-08 i.e. Rs. 0.20 Per equity share of Rs.2/- each. The Proposed dividend if approved at the ensuing Annual General Meeting, would result in appropriation of Rs. 262.44 Lacs (including Corporate Dividend Tax of Rs. 38.12 Lacs) out of the profits. The Company has made transfer of Rs. 30,000 Lacs to the General Reserve.

The Register of members and share transfer books shall remain closed from 27th December 2008 to 31st December 2008 (both days inclusive), for the purpose of Annual General Meeting and payment of Dividend.

MERGER

The Board of Directors of the Company in its meeting held on July 31, 2008 have approved the merger of Amtek India Limited with Amtek Auto Limited. The merger is subject to various approvals including approval of the shareholders and creditors, the High Courts of Punjab & Haryana, Stock Exchanges and other concerned authorities. The Appointed date of merger is proposed to be 1st July 2007 or such other date as the Board and/or Shareholders of the Company may approve or Hon'ble High Court may direct/fix.