

29th
ANNUAL
REPORT
2011-2012





AMTEK INDIA LIMITED

29th ANNUAL REPORT

2011 – 2012

Board Of Directors

Mr. ARVIND DHAM	<i>Chairman</i>
Mr. GAUTAM MALHOTRA	<i>Managing Director</i>
Mr. K.T. JAMES	<i>Director</i>
Mr. D.S. MALIK	<i>Director</i>
Mr. SHEKHAR GUPTA	<i>Director</i>
Mr. CHETAN VIMAL KUMAR SHAH	<i>Director</i>

Company Secretary

Ms. Shuchita Bhartiya

Contents

Notice	3
Directors' Report.....	6
Corporate Governance Report.....	11
Management Discussion &	
Analysis Report	23
Auditor's Report	27
Balance Sheet.....	30
Statement of Profit & Loss	31
Cash Flow Statement	32
Notes	33

Regd. Office & Works (Unit-I)

Village Narsinghpur, Mohammadpur
Old Manesar Road, District Gurgaon, Haryana-122001
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

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

UCO Bank
United Bank of India
State Bank of Patiala
State Bank of Bikaner & Jaipur

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 Ninth** Annual General Meeting of the members of **AMTEK INDIA LIMITED** will be held at the Registered Office of the Company at Village Narsinghpur, Mohammadpur, Old Manesar Road, Gurgaon, Haryana-122001 on Monday, 31st December, 2012 at 1.30 p.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 30th June, 2012, the Audited Statement of Profit & Loss for the year ended on that date, together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of **Mr. Arvind Dham**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Mr. K.T. James**, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT M/s Manoj Mohan & Associates, Chartered Accountants (Registration No. 009195C) be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as fixed by the Board of Directors."

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

Sd/-
(**ARVIND DHAM**)
Chairman

Place : New Delhi
Date : 4th December, 2012

NOTES:

1. **A MEMBER OF THE COMPANY 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 NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. 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.**
3. 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. upto the date of AGM.
4. The Register of Members and Share Transfer Book of the Company will remain closed from **28th December, 2012 to 31st December, 2012** (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 furnish/update their Bank Account to the Company/Registrar & Transfer Agents/Depository Participants to enable the Company to print the same on the dividend warrants/to avail of ECS facility, whatever applicable.
6. 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.
7. The Members attending the Annual 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 preceeding the day of Annual General Meeting.



8. Non-resident Indian Members are requested to inform Beetal Financial & Computer Services Pvt. Ltd. immediately on:
 - a) the change in the residential status on return to India for permanent settlement.
 - b) the particulars of the bank accounts maintained in India with complete name of bank, branch, account type, account number and address of the bank, if not furnished earlier.
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, 2013.
 - 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, 2012.
 - b. In respect of shares held in electronic form, to beneficial owner as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours of December 27, 2012.
11. Consequent upon the introduction of Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment Act) 1999, the amount of dividend which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government. Shareholders who have not en-cashed their dividend warrant(s) so far for the financial year ended 30th June, 2005 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 of the Company.
14. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed Companies to share documents with its shareholders thorough an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.



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

Name	Mr. Arvind Dham
Date of Birth	15 th February, 1961
Qualification	B.Arch., MBA
Expertise	Strategy & Management
Other Directorships*	Amtek Auto Limited Amtek Crankshafts(India) Limited Ahmednagar Forgings Limited Symbios Personnel Advices and Services Limited Amtek Laboratories Limited

Name	Mr. Kattassery Thomas James
Date of Birth	01 st December, 1956
Qualification	M. Com
Expertise	Accounts and Financial Matters
Other Directorships*	Adhbhut Infrastructure Limited ACL Industries Limited Amtek Railcar Limited Amtek Heavy Engineering Industries Limited Fenace Auto Limited Oriental Iron Casting Limited Amtek Wagon Leasing Company Limited Amtek Aerospace Industries Limited

*This excludes Directorships of Private Limited Companies, Foreign Companies and Section 25 Companies.

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

Sd/-
(ARVIND DHAM)
Chairman

Place : New Delhi
Date : 4th December, 2012

**DIRECTORS' REPORT**

TO

THE MEMBERS,
AMTEK INDIA LIMITED

Your Directors have pleasure in presenting the **Twenty Ninth** Annual Report of the Company for the year ended 30th June 2012.

BUSINESS SNAPSHOT

Amtek India Limited is the largest iron casting Company in India with 5 world class manufacturing facilities. The Company has significant expertise in the auto components space with proven capabilities in vertical and horizontal moulding foundry, machining and assembly. It has an extensive product portfolio with a range of highly engineered components including cylinder head, cylinder blocks and turbo charger housing. Your Company is a major supplier to OEMs for passenger cars, light and heavy commercial vehicles and tractors, in the casting segment; and passenger cars, light and heavy commercial vehicles, 2/3 wheelers and tractors in the machining segment.

The Company now services a global client base. It is well positioned in the Indian auto component market. It is one of the largest manufacturers of cylinder blocks in India and the only Indian casting Company to use latest "Thin Wall" technology. The Company has generated average EBITDA margins of 30% over the last 5 years.

The Company remains focused on improving operational productivity and implementing quality excellence programs such as lean Six Sigma across the manufacturing facilities. In context of the volatile industry dynamics, good new order intakes in the Company have been encouraging across all geographies. Management remains positive on the long term domestic industry growth story based on continued significant investments from global OEMs and the low auto penetration levels. The Company is strategically leveraging its core strengths to capitalize on these growth opportunities. Shareholder register is now comprised of both long term domestic and international investors.

FINANCIAL PERFORMANCE

(Rs. in Lacs)

Particulars	Year ended 30th June 2012	Year ended 30th June 2011
Sales/Income from Operations	188773.38	143697.61
Expenditures	151510.39	114869.00
Gross Profit Before Depreciation	37262.99	28828.61
Depreciation	14696.34	12555.90
Profit Before Tax	22566.65	16272.71
Provisions for Taxation	6936.95	4889.77
Profit after Tax	15629.70	11382.94
Add: Accumulated Profit	3263.04	80.52
Balance available for appropriation	18892.74	11463.46
APPROPRIATIONS:		
Transfer to General Reserve	5000	2500
Transfer to Debenture Redemption Reserve	Nil	5000
Proposed Dividend on Equity Shares	276.78	553.35
Provision for Tax & CESS on dividend	44.90	89.80
Dividend and Tax for previous year (Not appropriated in previous year)	643.35	57.07
Surplus carried to Balance Sheet	12927.71	3263.04

PERFORMANCE REVIEW

Your Company achieved Revenue of Rs. 188,773 Lacs compared to Rs. 143,698 Lacs during the previous year. The Profit after Tax has increased to Rs 15,630 Lacs as compared to the previous year of 11,383 Lacs. The Company has strong reserve position of Rs. 1,96,140 Lacs.



DIVIDEND

The Board of Directors is pleased to recommend a dividend of 5% of the face value of each equity share for the financial year 2011-12 for shareholder approval. This corresponds to Rs.0.10 per equity share with a face value of Rs.2/- each. The proposed dividend, if approved at the next Annual General Meeting, would result in appropriation of Rs. 322 Lacs (including Corporate Dividend Tax of Rs. 45 Lacs) out of the Profit after Tax. The total appropriation of the dividend of Rs.322 Lacs is equivalent to a 2.06% pay-out on Profit after Tax of the Company. The Company has made a transfer of Rs. 5,000 Lacs to the General Reserve.

The Register of members and share transfer books shall remain closed from 28th December 2012 to 31st December 2012 (both days inclusive), for the purpose of Annual General Meeting and payment of dividend.

CHANGE IN SHARE CAPITAL

During the year, the following changes were effected in the Share Capital of your Company.

(i) Increase in Authorized Share Capital

The Authorized Share Capital of the Company was increased to Rs. 95,00,00,000/- (Rupees Ninety Five Crores) divided into 45,00,00,000 Equity Shares of Rs.2/- each and 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- each.

(ii) Issues of Bonus Shares

The Board of Directors of your Company declared issue of Bonus Shares in the ratio of 1:1 i.e. one bonus equity of face value of Rs. 2/- each for every one existing fully paid up equity share of Rs. 2/- each held by member as on record date i.e. 22nd November, 2011.

Consequently, the Issued and Subscribed Equity Share Capital stands increased to Rs. 553,551,272/- divided into 27,67,75,636 equity share of Rs. 2/- each.

ISSUANCE OF FCCBS

During the year under review, Company decided to raise US \$250 million through various means including External Commercial Borrowings (ECBs), convertible and/or non-convertible debentures, bonds, warrants or/and any other such instruments.

Subsequently, the Company has issued 6.00% Foreign Currency Convertible Bonds (or "FCCBs") for an amount of US\$ 130 million on April 05, 2012. Allotment of the bonds has been settled and the FCCBs have been listed on the Singapore Stock Exchange. Proceeds shall be utilised for future acquisition and capital expenditure. The FCCBs have a maturity of 5 years and 1 day and are convertible initially at a conversion price of Rs. 103.005 per equity share. Standard Chartered Bank acted as the Sole Global Coordinator and Book Runner to the offering of FCCBs.

Subsequent to the year under review, the Company has issued 2.50% Foreign Currency Convertible Bonds (or "FCCBs") for an amount of US\$ 70 million on September 20, 2012. Allotment of the bonds has been settled and the FCCBs have been listed on the Singapore Stock Exchange. Proceeds shall be utilised for capital expenditure. The FCCBs have a maturity of 5 years and 1 day and are convertible initially at a conversion price of Rs. 103.005 per equity share. DBS Bank Limited, Singapore acted as the Sole Global Coordinator and Book Runner to the offering of FCCBs. As of date, the Company now has a total of US\$ 200 million of FCCBs due in 2017.

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. K.T. James, Directors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Brief resumes of the Directors proposed to be reappointed, nature of their industry expertise in specific functional areas and name of companies in which they hold directorships are provided in the notice forming part of the Annual Report. Further, the name of the companies in which they hold 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

M/s. Manoj Mohan & Associates, Chartered Accountants, New Delhi, Auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.



The Company has received letter from M/s. Manoj Mohan & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified from such appointment in terms of Section 226 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.

FIXED DEPOSITS

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

CASH FLOW STATEMENT

As required by Clause 32 of the Listing Agreement a Cash Flow Statement is annexed and forms part of the Annual Report.

DEMATERIALISATION OF SHARES

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE 068DO1021. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI).

The equity shares of the Company are actively traded on BSE and NSE.

Status of Dematerialisation of Shares

As on 30th June 2012, 275126648 equity shares representing 99.40% of your Company's equity share capital have been dematerialized.

LISTING AT STOCK EXCHANGES

The equity shares of the Company are listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Company has paid its annual listing fee to the stock exchanges for the financial year 2012 - 2013.

RECONCILIATION OF SHARE CAPITAL AUDIT

The Securities and Exchange Board of India has directed that all issuer companies shall submit Reconciliation of Share Capital Audit Reports reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid up capital on quarterly basis.

The Share Capital Audit Reports as submitted by M/s Iqneet Kaur & Company, Company Secretaries, on quarterly basis were forwarded to the Stock Exchanges wherein the Equity Shares of the Company are listed.

STATUTORY INFORMATION

- Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 may be taken as Nil.
- Statutory details of Energy Conservation and Technology Absorption, R&D activities and Foreign Exchange Earning and Outgo, as required under Section 217(1) (e) of the Companies Act, 1956 and rules prescribed there under i.e. the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure and form part of this Annual Report. **(Please refer Annexure-I)**

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Director's Report and the Certificate from the Company's Statutory Auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 (VII) of the Listing Agreement with the Indian Stock Exchanges is included in the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis of the Company's financial condition including the results of operations of the Company for the year under review as required under clause 49 of the Listing Agreement with Stock exchanges is presented in a separate section forming part of the Annual Report.



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 for the year ended 30th June, 2012, the applicable accounting standards have been followed;
- 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 of the Company for the year 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.

INDUSTRIAL RELATIONS

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

INVESTOR RELATIONS

Your Company always endeavors to keep the time of response to shareholders' requests/grievances at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply at the earliest possible time. The Shareholders' and Investors' Grievances Committee of the Board meets periodically and reviews the status of the redressal of investors' grievances.

EMPLOYEE WELFARE

Your Company demonstrated that it is a caring organization by constantly devising and implementing 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 at the earliest.

ACKNOWLEDGEMENT

Your Directors wish to place on record the sincere and dedicated efforts of all the members of the Company's team which has made it possible to achieve 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 and the investors for their continued support, co-operation and assistance.

Your Directors also wish to acknowledge the contribution made by the employees at all levels and above all the trust and confidence reposed by the shareholders.

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

Sd/-
(ARVIND DHAM)
Chairman

Place : New Delhi
Date : 4th December, 2012

**ANNEXURE TO THE DIRECTORS' REPORT 2011-2012****A. INFORMATION REQUIRED UNDER SECTION 217(l) (e) OF THE COMPANIES ACT, 1956****I. Research & Development (R&D)**

- | | | |
|--|---|--|
| a) Specific area in which (R&D) carried out by the Company | : | i) Product design & development
ii) Process design & improvement for various products |
| b) Benefits derived as result | : | 1. Reduction in process time
2. Higher productivity
3. Consistent quality |
| c) Future plan of action in Mfg. Process & operation | : | To achieve better yield by way of cost reduction through higher level of automation |

II. Technology Absorbition:

- | | | |
|---|---|-----|
| a) Efforts in brief towards technology absorbition | : | Nil |
| b) Benefits derived as a result of above efforts e.g product | : | Nil |
| c) In case of imported technology (import) during the last 6 years reckoned from the beginning of the financial year) | : | Nil |

III. Foreign Exchange Outgo:

Activities Relating to Exports: Initiatives taken to increase exports; developments of new export markets for products and services; and export plans.

The Company has strategic alliance with its group Companies in U.K. and USA, to increas its share of business in the international market, which has access to all automobile majors in the U.S and European market and existing supplier, business relationship.

		(Rs in Lacs)	
		Current Year	Previous year
Foreign Exchange Used	:	4,201.98	2,420.32
		Current Year	Previous year
IV. Conservation of Energy			
A. Power & Fuel consumption			
1. Electricity Purchased			
Units (in Lacs)		1,032.64	912.56
Total Amt. (Rs in Lacs)		5,533.86	4,653.12
Rate/Unit		5.36	5.10
2. Own generation through Generator			
Units (in Lacs)		45.73	33.18
Unit/Ltr		3.25	3.25
Rate/Unit		12.71	12.31
Total Amt. (Rs in Lacs)		581.42	408.38
3. Gas			
Quantity-K.Gs (In Lacs)		0.40	—
Amount		26.11	—
Average Rate Per Kgs (Rs.)		65.96	—
B. Consumption Per Unit of Production			
Auto Components (In lacs)		326.50	269.85
Cost/Pc		18.81	18.76