

**26th
ANNUAL
REPORT
*2008-2009***





AMTEK INDIA LIMITED

26th ANNUAL REPORT

2008 – 2009

Board Of Directors

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

Company Secretary

Mrs. Monika Sachdeva



Contents

Notice	3
Directors' Report.....	6
Corporate Governance Report.....	11
Management Discussion & Analysis Report	22
Auditor's Report	25
Balance Sheet.....	28
Profit & Loss Account	29
Cash Flow Statement	30
Annexures	31

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

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

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 Sixth 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 Thursday, 31st December, 2009 at 10.30 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, 2009, 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 the place of Mr. Arvind Dham, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. K.T. James, 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 if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:-**

"RESOLVED THAT Mr. Chetan Vimal Kumar Shah, 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 in writing proposing his candidature for the office of director, be and is hereby appointed as director of the Company liable to retire by rotation."

By Order of the Board
For AMTEK INDIA LIMITED

Place : New Delhi
Date : 2nd December 2009

Sd/-
(ARVIND DHAM)
Chairman

NOTES :

1. **AN EXPLANATORY STATEMENT PURSUANT TO SEC-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/HERSELF 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 COMPANY'S 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 28th December, 2009 to 31st December, 2009 (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 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.
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 to 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, 2010.
 - 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 28, 2009.
 - 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 December 27, 2009. 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 30th June, 2002 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 DIRECTOR BEING APPOINTED / RE-APPOINTED

Name	Mr. Arvind Dham
Date of Birth	15th March 1961
Qualification	B.Arch., MBA
Expertise	Setting up New Projects
Other Directorships	Amtek Auto Limited Ahmednagar Forgings Limited Amtek Casting India Ltd. WHF Precision Forgings Limited Amtek Crankshafts (India) Ltd. Amtek Ring Gears Ltd. Amtek Railcar Limited



Name	Mr. K.T. James
Date of Birth	02nd December, 1956
Qualification	M.Com.
Expertise	Accounts and Financial Matters
Other Directorships	Amtek Casting India Ltd. Adhbhut Infrastructure Limited Amtek Transportation Systems Limited Amtek Railcar Limited

Name	Mr. Chetan Vimal Kumar Shah
Date of Birth	14th August, 1961
Qualification	B.E. (Mech.), MBA (Finance)
Expertise	Setting up to foundries
Other Directorships	Nil

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

Mr. Chetan Vimal Kumar Shah was co-opted as an Additional Director in the Board Meeting held on 31st January, 2009 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. Chetan Vimal Kumar Shah 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. Chetan Vimal Kumar Shah 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. The Board of Directors recommends to the shareholders for passing the said resolution.

None of the Directors except Mr. Chetan Vimal Kumar Shah is concerned or interested in the said resolution.

By Order of the Board
For AMTEK INDIA LIMITED

Place : New Delhi
Date : 2nd December 2009

Sd/-
(ARVIND DHAM)
Chairman

DIRECTORS' REPORT

TO
THE MEMBERS,
AMTEK INDIA LIMITED

Your Directors have pleasure in presenting the Twenty Sixth Annual Report and the Audited Accounts of the Company for the year ended 30th June 2009.

FINANCIAL RESULTS

(Rs. in lacs)

PARTICULARS	Year ended 30th June, 2009	Year ended 30th June, 2008
Sales/Income from Operations	79944.73	122,826.77
Expenditures	65046.66	74,971.61
Gross Profit Before Depreciation	14898.07	47,855.16
Deprecation	7013.36	5327.57
Profit Before Tax	7884.71	42,527.59
Provisions for Taxation	2478.37	7833.53
Profit after Tax	5406.34	34,694.06
Add: Accumulated Profit	2143.07	4141.67
Balance available for appropriation	7549.41	38,835.73
APPROPRIATIONS:		
Transfer to General Reserve	2000.00	30,000.00
Transfer to Debenture Redemption Reserve	2000.00	–
Foreign currency convertible bond redemption reserve	2070.00	6270.00
Proposed Dividend on Equity Shares	224.32	224.32
Provision for Tax & CESS on dividend	38.12	38.12
Dividend and Tax for previous year (Not appropriated in previous year)	–	160.22
Surplus carried to Balance Sheet	1,216.97	2,143.07

PERFORMANCE

The turnover of the Company for the year under review was Rs. 79,944.73 lacs as Rs.122,826.77 lacs in the previous year. The Profit after Tax of the Company for the year stands at Rs. 5406.34 lacs as against the corresponding year figure of Rs. 34,694.06 lacs (which included post tax extra ordinary item of Rs. 21188.66 lacs). The Company has strong reserve position of Rs. 145,129.54 lacs.

DIVIDEND

Yours Directors are pleased to recommend a Dividend @ 10% for the year 2008-09 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.2,000 Lacs to the General Reserve. The total appropriation of dividend of Rs. 262.44 Lacs gives 6.04% pay out on net profit of the Company.

The Register of members and share transfer books shall remain closed from 28th December 2009 to 31st December 2009 (both days inclusive), for the purpose of Annual General Meeting and payment of Dividend.

FUTURE PLANS

The Company plan to expand its casting capacities from 1,05,000 t.p.a. to 2,25,000 t.p.a. by the end of this fiscal. The Company subsequent to the end of financial year has already increased its capacity to 1,50,000 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.

ISSUE OF WARRANTS CONVERTIBLE INTO EQUITY SHARES

Subsequent to the year under review, the Company issued and allotted 1,21,10,000 warrants entitling the warrant holder(s) to apply for equivalent number of fully paid equity shares of Rs.2/- each at a premium of Rs.39/- each to promoter group companies by way of preferential issue pursuant to the resolution passed by the shareholder's of the Company in their Extra Ordinary General Meeting held on 23rd June, 2009.

SHARE CAPITAL

Subsequent to the year under review, the Company has allotted 59,00,000 equity shares of Rs. 2/- per share at a premium of Rs. 39/- per share aggregating to Rs. 24.19 Crores to promoters of the Company upon conversion of warrant.

ISSUE OF NON CONVERTIBLE DEBENTURES

The Board of Directors of the Company in their meeting held on 12th October, 2009 has considered and approved the Issue of Secured Redeemable Non-convertible Debentures of Rs. 200 Crores. Pursuant the above said resolution, the Board has also issued and allotted 10.5% Secured Redeemable Non-convertible Debentures of Rs. 200 Crores repayable in 4 annual installments at the end of 5th, 6th, 7th and 8th year from the date of disbursement. The Company has appointed Axis Bank Ltd. as Debenture Trustee for the debenture issue. The Debentures are listed at BSE.

Credit Rating

The Credit Analysis & research Ltd. (CARE) has assigned a CARE AA- (CARE Double A Minus) rating to the NCD issue of the Company for Rs. 200 Crore. The instruments carrying AA- rating are considered to offer high safety for timely servicing of debt obligation. Such instruments carry very low credit risk.

SUBSIDIARY COMPANY

As of 30th June 2009, 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 subsidiaries 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 subsidiaries.

DIRECTORS

During the year under review, Mr. Chetan Vimal Kumar Shah, was appointed as an Additional Director on the Board of the Company. Pursuant to section 260 of the Companies Act, 1956 his tenure as directors expires on the date of the present Annual General Meeting. Notice(s) signifying the intention to appoint him as directors have been received from the members of the Company and accordingly respective resolutions to that effect have been provided in the notice of the Annual General Meeting as special business.

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

Brief resume of the Director 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.

Mr. V. K. Sharma Managing Director and Mr. R. S. Katiyar, Director resigned from the directorship of the Company due to some personal reasons w.e.f. 02nd December, 2009. The Board took on record their contribution towards the success of the Company.

AUDITORS

The Auditors of the Company M/s Manoj Mohan & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. Certificate from Auditors have been received to the effect that their appointment, if made, would be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

Notes forming part of accounts, which are specifically referred to by the auditors in their report, are self explanatory and therefore, do not call for any further comments.

CONSOLIDATED FINANCIAL STATEMENT

As per the requirements of the Listing Agreement and Accounting Standards and Guidelines issued by The Institute of Chartered Accountants of India, the consolidated financial statements have been prepared on the basis of financial statements of the Company and abovementioned subsidiaries.

FIXED DEPOSITS

During the year under review, the Company has not accepted public 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 mandatory, in de-materialized form. As on 30th June 2009, 11,11,50,346 equity shares representing 99.10% of your Company's Equity shares capital has been de-materialized.

LISTING AT STOCK EXCHANGE

The Shares of Company are listed on Bombay Stock Exchange Limited, Mumbai and are also permitted to be traded on The National Stock Exchange of India Limited, Mumbai. The Company has paid annual listing fee to the Stock exchanges for the year 2009 - 2010.

The Foreign Currency Convertible Bonds are listed at Singapore Stock Exchange.

STATUTORY INFORMATION

- Particular of Employees under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 – Details are given in the Annexure and form part of this Report.
- 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 Report.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Director's Report and the certificate from the Company's auditors confirming compliance of Corporate Governance norms as stipulated in clause 49 VI of the Listing Agreement with the Stock Exchanges is included in the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of 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 exchange is presented in 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, 2009, the applicable accounting standards had 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 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.

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. The shares of the Company continue to be traded in Electronic Form and the De-materialisation arrangement exists with both the depositories, viz., National Securities Depository Limited and Central Depository Services (India) Limited. As on 30th June 2009, 11,11,50,346 shares have been dematerialized, representing 99.10% of the Issued and Paid Up capital of the company.

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 : 2nd December 2009

ANNEXURE TO THE DIRECTORS' REPORT 2008-2009

A. INFORMATION REQUIRED UNDER SECTION 217(I) (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 Absorbion:

- | | | | |
|----|--|---|-----|
| a) | Efforts in brief towards technology absorbion | : | 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 UK and USA, to increase 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 :		1,760.05	1032.70
		Current Year	Previous year
IV. Conservation of Energy			
A. Power & Fuel consumption			
1. Electricity Purchased			
Units (in Lacs)		435.35	259.02
Total Amt. (Rs in Lacs)		2,193.23	1,308.05
Rate/Unit		5.04	5.05
2. Own generation through Generator			
Units (in Lacs)		48.55	190.33
Unit/Ltr		3.25	3.24
Rate/Unit		9.23	10.05
Total Amt. (Rs in Lacs)		448.04	1912.73
B. Consumption Per Unit of Production			
Auto Components (In lacs)		155.62	170.26
Cost/Pc		16.97	18.91
		2641.27	3220.78
		2641.27	3220.78