

**28th
ANNUAL
REPORT
2010-2011**





AMTEK INDIA LIMITED

28th ANNUAL REPORT

2010 - 2011

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. Shallu Suryavanshi

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Regd. Office & Works (Unit-I)

Village Narsinghpur, Mohammadpur
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 Eighth 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) on Saturday, 31st December, 2011 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, 2011, 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.

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

Sd/-
(ARVIND DHAM)
Chairman

Place : New Delhi
Date : 12th November, 2011

NOTES:

1. **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.**
2. **THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 28th December, 2011 to 31st December, 2011 (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 the 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 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.
8. 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.
9. The dividend as recommended by the Board of Directors, if declared at this Annual General Meeting shall be paid on or before January 30, 2012.
 - 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, 2011.
 - 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 of December 27, 2011.



10. Consequent upon the amendment 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, 2004 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.
11. 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.
12. **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.

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 | 13 th May, 1950 |
| Qualification | B.E. (Mechanical) |
| 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 WHF Precision Forgings Limited Adhbhut Infrastructure Limited Amtek Railcar Limited |

| | |
|---------------------|---|
| Name | Mr. Shekhar Gupta |
| Date of Birth | 04 th April, 1964 |
| Qualification | B.E. (Metallurgical) |
| Expertise | Specialisation in Quality Engineering, Industrial Engineering and Process Engineering |
| Other Directorships | Oriental Iron Casting Limited Stride Autoparts Limited |

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

Place : New Delhi
Date : 12th November 2011

Sd/-
(ARVIND DHAM)
Chairman

**DIRECTORS' REPORT**

TO
THE MEMBERS,
AMTEK INDIA LIMITED

Your Directors have pleasure in presenting the Twenty Eighth Annual Report and the Audited Annual Accounts of the Company for the year ended 30th June 2011.

FINANCIAL RESULTS**(Rs. in Lacs)**

| PARTICULARS | Year ended 30th June 2011 | Year ended 30th June 2010 |
|--|---|---|
| Sales/Income from Operations | 1,43,705 | 1,02,945 |
| Expenditures | 1,14,876 | 82,433 |
| Gross Profit Before Depreciation | 28,829 | 20,512 |
| Depreciation | 12,556 | 9,622 |
| Profit Before Tax | 16,273 | 10,890 |
| Provisions for Taxation | 4890 | 3,256 |
| Profit After Tax | 11,383 | 7,634 |
| Add: Accumulated Profit | 80 | 1,217 |
| Balance available for appropriation | 11,463 | 8,851 |
| APPROPRIATIONS: | | |
| Transfer to General Reserve | 2,500 | 1,500 |
| Transfer to Debenture Redemption Reserve | 5,000 | 1,250 |
| Foreign currency convertible bond redemption reserve | — | 5,418 |
| Proposed Dividend on Equity Shares | 553 | 505 |
| Corporate Dividend Tax | 90 | 84 |
| Dividend and Tax for previous year (Not appropriated in previous year) | 57 | 14 |
| Surplus carried to Balance Sheet | 3,263 | 80 |

BUSINESS PERFORMANCE

On a Standalone basis, the revenue of the Company for the year under review was Rs.143,705 Lacs as compared to the previous year revenue of Rs. 102,945 Lacs. The Profit after Tax of the Company for the year was at Rs. 11,383 Lacs as against the corresponding year of Rs. 7,634 Lacs. The Company has strong reserve position of Rs. 184,243 Lacs.

DIVIDEND

The Board of Directors is pleased to recommend a dividend of 20% of the face value of each equity share for the financial year 2010-11 for shareholder approval. This corresponds to Rs. 0.40 per equity share with a face value of Rs.2.00 each. The proposed dividend, if approved, at the ensuing Annual General Meeting would result in appropriation of Rs. 643 Lacs (including Corporate Dividend Tax of Rs. 90 Lacs) out of the Profit after Tax. The Company has made a transfer of Rs. 2,500 Lacs to the General Reserve. The total appropriation of dividend of Rs.643 Lacs gives 5.65% pay-out on Net Profit of the Company.

The Register of members and share transfer books shall remain closed from 28th December 2011 to 31st December 2011 (both days inclusive), for the purpose of Annual General Meeting and payment of dividend.

ACQUISITION OF MAJOR STAKE BY AMTEK AUTO LIMITED

During the period under review, M/s Amtek Auto Limited acquired 85298290 fully paid equity shares representing 61.64% of the total paid up equity share capital of the Company. Out of which 50720710 equity shares representing 36.66% were acquired through Share Purchase Agreement dated 28th May, 2010 from the outgoing promoters of the Company and 27677565 equity share representing 20% were acquired from the general public through open offer pursuant to SEBI (Substantial Acquisition of Shares and Takeover Regulations, 1997) and Further, 6900015 equity shares representing 4.98% acquired through open market which resulted in total acquisition of 61.64% equity stake by Amtek Auto Limited.



AMTEK INDIA LIMITED

Consequent to the above acquisition, M/s Amtek Auto Limited became the Holding Company and new Promoter of the Company.

SUBSIDIARY COMPANY

As on 30th June 2011, the Company has one subsidiary i.e. Amtek Industries Limited. As per the provisions of Section 212 of the Companies Act 1956, the Company is required to attach the Directors' Report, Balance Sheet, Profit & Loss Account and other information of the Subsidiary Company to its Balance Sheet. However, the Ministry of Corporate Affairs, Government of India has vide its General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011, respectively, granted a general exemption from compliance with section 212(8) of the Companies Act, 1956 from attaching the Annual Accounts of subsidiary with the annual published accounts of the Company subject to fulfillment of conditions stipulated in the circulars. In compliance with the above circular, the Annual Accounts will be made available upon request by any interested investor of the Company / Subsidiary. The Annual Accounts of the Subsidiary Company will also be kept for inspection by any investor at the Registered Office of the Company and at the office of the respective Subsidiary Company during business hours of the respective Company.

Further as per the provisions of Section 212 of the Act, a statement of the holding Company's interest in the Subsidiary Company is attached herewith and forms part of the Annual Report.

However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its Subsidiary.

DIRECTORS

In accordance with Section 255 read with Section 256 of Companies Act, 1956 and the Article of Association of the Company, Mr. D. S. Malik and Mr. Shekhar Gupta, 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 names 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 holds memberships/chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreements is provided in the Corporate Governance Section of this Annual Report.

SHARE CAPITAL AUDIT

As per the directive of the Securities & Exchange Board of India ("SEBI"), M/s Iqneet Kaur & Company, Company Secretaries, New Delhi, undertakes a Share Capital Audit on a quarterly basis. The purpose of the audit is to reconcile the total number of shares held in CDSL, NSDL and in physical form with the admitted, issued and paidup capital of the Company.

The Share Capital Audit Reports as submitted by M/s Iqneet Kaur & Company, Company Secretaries, New Delhi, on a quarterly basis were forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed.

AUDITORS

The Statutory 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. A Certificate from the Statutory 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.

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.

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 subsidiary.

FIXED DEPOSITS

During the year under review, the Company has not accepted public deposits under section 58A and 58AA 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 and CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in de-materialized form. As on 30th June 2011, 13,74,92,699 equity shares representing 99.35% of your Company's equity share capital have been de-materialized.

LISTING AT STOCK EXCHANGES

The equity shares of the Company are listed on 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 2011 - 2012.

STATUTORY INFORMATION

- Particulars of Employees under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 : 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.

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, 2011, 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 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 2011, 13,74,92,699 equity shares representing 99.35% of the Issued and Paid up Capital of the Company have been dematerialised.



AMTEK INDIA LIMITED

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**

Place : New Delhi
Date : 12th November 2011

Sd/-
(ARVIND DHAM)
Chairman



ANNEXURE TO THE DIRECTORS' REPORT 2010-2011

A. INFORMATION REQUIRED UNDER SECTION 217(f) (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 Absorption:

- | | | |
|---|---|-----|
| a) Efforts in brief towards technology absorption | : | 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 Europe 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 : | 2,420.32 | 2,420.32 |
| IV. Conservation of Energy | Current Year | Previous year |
| A. Power & Fuel consumption | | |
| 1. Electricity Purchased | | |
| Units (in Lacs) | 912.56 | 736.78 |
| Total Amt. (Rs in Lacs) | 4,653.12 | 3,488.98 |
| Rate/Unit | 5.10 | 4.74 |
| 2. Own generation through Generator | | |
| Units (in Lacs) | 33.18 | 22.80 |
| Unit/Ltr | 3.25 | 3.25 |
| Rate/Unit | 12.31 | 11.28 |
| Total Amt. (Rs in Lacs) | 408.38 | 257.27 |
| B. Consumption Per Unit of Production | | |
| Auto Components (In lacs) | 269.85 | 201.23 |
| Cost/Pc | 18.76 | 18.62 |



CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Amtek's philosophy on Corporate Governance is aimed at safeguarding and adding value to the interest of various stakeholders of the Company including shareholders, lenders, employees and public at large. The Company took initiative in practicing good Corporate Governance procedures, even before they were mandated.

The Company envisages pursuing the highest standards of accountability, transparency and to endeavor to maximize the earnings of the shareholders. The Company is committed to follow the highest standards in conformity with the stipulations of the regulator.

II. BOARD OF DIRECTORS

The Business of the Company is managed by the Board of Directors. The functions of the Board include formulation of strategic business plans, budgets, setting up goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Director along with a team of professionals manage the day-to-day operations of the Company. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business, industry and finance. The Board of Directors has the ideal composition with more than half the Directors being non-executive Directors. Since the Company has a Non Executive Chairman, the Board's composition meets the stipulated requirement of at least one third of the Board comprising independent Directors who have no professional and/or business relationship with the Company.

A. Composition of Directorships

The constitution of the Board as on June 30, 2011:-

Non Executive Chairman
Mr. Arvind Dham, Chairman

| Promoter | Executive Director | Non-Executive Director | Independent Directors |
|-----------------|---------------------|------------------------|--|
| Mr. Arvind Dham | Mr. Gautam Malhotra | Mr. D. S. Malik | Mr. Shekhar Gupta Mr. K.T. James Mr. Chetan Vimal Kumar Shah |

B. Pecuniary Relationship

There is no pecuniary relationship or transaction of the non-executive Directors vis-à-vis the Company.

C. Attendance Record of Board Meetings

During the year under review, seven meetings of the Board of Directors were held on 10.08.2010, 30.10.2010, 24.11.2010, 11.02.2011, 28.02.2011, 11.04.2011 and 29.04.2011. The Board members were given appropriate documents and information in advance of each Board meeting.

The attendance record of all the Directors on the Board is as under:-

| Director | No. of Board Meetings attended | Attendance at last AGM | Attendance at last EGM |
|-----------------------------|--------------------------------|------------------------|------------------------|
| Mr. Gautam Malhotra | 4 | NO | NA |
| Mr. Arvind Dham | 5 | NO | NA |
| Mr. D. S. Malik | 5 | YES | NA |
| Mr. K.T. James | 7 | YES | NA |
| Mr. Shekhar Gupta | 5 | NO | NA |
| Mr. Chetan Vimal Kumar Shah | 4 | NO | NA |