



**AMTEK AUTO LIMITED**

**23rd ANNUAL REPORT**  
***2008 - 2009***



# AMTEK AUTO LIMITED

## 23rd ANNUAL REPORT 2008 – 2009

### Board Of Directors

Mr. Arvind Dham	<i>Chairman &amp; Director</i>
Mr. D.S. Malik	<i>Managing Director</i>
Mr. Rajeev Thakur	<i>Director</i>
Mr. Sanjay Chhabra	<i>Director</i>
Mr. B. Lugani	<i>Director</i>
Mr. B. Venugopal	<i>Director</i>
Mr. John Ernest Flintham	<i>Director</i>

### Company Secretary

Mr. Rajeev Raj Kumar

### Auditors

M/s Manoj Mohan & Associates  
*Chartered Accountants*

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### Regd. Office & Works (Unit-I)

Plot No. 16, Industrial Estate,  
Rozka-Meo (Sohna)  
Distt. Gurgaon (Haryana).  
Ph.: 0124-2362140  
Tel/Fax: 0124-662454  
e-mail: aall@amtek.com

### Unit-II

Begumpur Khataula,  
P.O. Khandsa, Distt. Gurgaon, Haryana.  
Ph.: 0124-2373412  
Fax: 0124-2373408  
e-mail: amtekunit2@amtek.com

### Unit-III

Vill. Mohammadpur, Jharsa,  
Distt. Gurgaon (Haryana).  
Ph.: 0124-2372152 Fax: 0124-2373410

### Unit-IV

Village Malpura,  
Dharuhera, Rewari, Haryana

### Unit-V

Plot No. 1, Sector-II,  
New Industrial Area,  
Distt. Raiesan  
Mandideep-462046  
Phone: 507053

### Unit-VI

Plot No. 1, Industrial Area,  
Dharuhera, Rewari,  
Haryana

### Unit-VII

Plot No. 53,  
Sector III, Industrial Area,  
IMT Manesar, Gurgaon (Haryana)

### Unit-VIII

Gat No. 1074-1085  
Sanaswadi Shikrapur Chakan Road,  
Taluka Shirpur, Pune, Maharashtra

### Unit-IX

Nalagarh, Distt. Solan (H.P.)

### Unit-X

Ranjangaon, Pune, Maharashtra

### Unit-XI

Plot No. 20, Phase-I, Indl. Area,  
Dharuhera, Rewari, Haryana

### 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

Corporation Bank  
Andhra Bank  
Indian Overseas Bank

### Registrar & Share Transfer Agent

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3rd Floor, 99, Madangir,  
Behind L.S.C., New Delhi-110062  
Tel.: 011-29255230, Fax : 011-29252146  
E-mail: beetal@rediffmail.com

**NOTICE**

Notice is hereby given that the Twenty Third Annual General Meeting of the members of Amtek Auto Limited will be held at Plot No. 16, Industrial Estate, Rozka Meo, Sohna, Gurgaon (Haryana) on Thursday, 31st December, 2009 at 9.30 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. Rajeev Thakur, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend
4. To appoint Auditors 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 AUTO LIMITED**

Date : 02.12.2009  
Place : New Delhi

Sd/-  
**(D. S. Malik)**  
Managing Director

**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 Book of the Company will remain closed from Monday, 28th December 2009 to Thursday, 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.
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 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, 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 hours on December 27, 2009.
10. 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.
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.

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

Name	<b>Mr. Rajeev Thakur</b>
Date of Birth	4th December, 1950
Qualification	Marine Engineer
Profession	Management Consultant
Expertise	Vast Experience in the field of Management Consultancy
Other Directorships	Grassik Consultants Pvt. Ltd.

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

Date : 02.12.2009  
Place : New Delhi

Sd/-  
**(D. S. Malik)**  
Managing Director

**DIRECTORS' REPORT**

**TO**  
THE MEMBERS,  
**AMTEK AUTO LIMITED**

Your Directors take pleasure in presenting the 23rd Annual Report and the Audited Accounts of the Company for the financial year ended 30th June 2009.

**FINANCIAL RESULTS**

(Rs. in Lacs)

PARTICULARS	Year ended 30th June 2009	Year ended 30th June 2008
Sales and Other Income	119527.83	142465.26
Expenditures	86489.73	97814.50
Gross Profit Before Deprecation	33038.10	44650.76
Deprecation	12260.35	9457.09
Profit Before Tax	20777.75	35193.67
Provisions for Taxation	5555.08	9068.61
Profit after Tax	15222.67	26125.06
Add. Accumulated Profit	14.90	12508.76
Balance available for appropriation	15237.57	38633.82
<b>APPROPRIATIONS:</b>		
Transfer to General Reserve	11800.88	3000.00
Transfer to Foreign Currency Convertible Bond Reserve	2475.00	34700.00
Proposed Dividend on Equity Shares	704.97	704.97
Equity Dividend & Tax for previous year (not appropriated in previous year)	0.00	94.14
Provision for tax & CESS on dividend	119.81	119.81
Surplus carried to Balance Sheet	136.91	14.90

**PPERFORMANCE**

During the year under review, the turnover of the Company was Rs. 119527.83 lacs as against the previous year turnover of Rs.142465.26 lacs. The Profit after Tax of the Company for the year stands at Rs. 15222.67 lacs as against the previous year figure of Rs. 26125.06 lacs. The Company has strong reserve position of Rs. 251462.34 lacs.

**DIVIDEND**

The Board of Directors are pleased to recommend a Dividend @ 25% for the financial year 2009-10 i.e. Rs. 0.50/- Per equity share of Rs.2/- each for your approval. The Proposed dividend if approved at the ensuing Annual General Meeting would result in appropriation of Rs. 824.78 lacs (including Corporate Dividend Tax of Rs. 119.81 Lacs) out of the profits. The Company has made transfer of Rs.11800.88 Lacs to the General Reserve. The total appropriation of dividend of Rs.824.78 Lacs gives 5.42 % 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.

**JOINT VENTURE AGREEMENTS**

**Joint Venture Agreement with Sumitomo Metal Industries**

During the year under review, the Company signed a strategically important JV agreement with the leading Japanese Steel Manufacturer, Sumitomo Metal Industries Limited, based in Tokyo, Japan for Production and sale of forged crankshafts for automotive applications in India. In this Joint Venture, Amtek's stake is 50% and the rest 50% is shared by Sumitomo Metals (40%) and Sumitomo Corporation (10%). Sumitomo Corporation is the global partner of crankshaft business of Sumitomo Metals.



Sumitomo Metal is a leading manufacture of steel and various steel products, including sheets, plates, tubes, bars, shapes and automotive and machinery parts. This Joint Venture provides to Sumitomo Metals entry into the high growth crankshaft market of India. This is based on Sumitomo Metals Corporate Strategy to "add strength to strong areas." With this entry to India, Sumitomo Metals will have a global "tetra polar" production system (Japan, U.S., China, and India)

This Joint Venture is in line with Amtek's strategy of augmenting its product portfolio. This also makes Amtek a full serviced supplier of crankshafts for automotive applications as Amtek has already created a market leader position for itself in the field of fully machined crankshafts.

This Joint Venture with Sumitomo Metals is another milestone for the Amtek Group and step forward in direction of consolidating its customer and product portfolio as well as attaining world class technological edge in automotive manufacturing.

## **ISSUE OF FCCB**

Pursuant to the approval of shareholders of the Company at the Extra Ordinary General Meeting of the Company held on July 17, 2009, the Committee of Directors issued and allotted Foreign Currency Convertible Bonds aggregating to US\$ 165 million, convertible into Equity Shares of the Company at the option of the bondholders. These FCCBs are listed on Singapore Stock Exchange.

## **ISSUE OF WARRANTS**

Subsequent to the year under review, the Company issued and allotted 1,50,00,000 warrants entitling the warrant holder(s) to apply for equivalent number of fully paid up equity shares of Rs.2/- per share at a premium of Rs.131/- per share of the Company aggregating to Rs. 199.50 crores to the promoter group companies by way of preferential allotment.

## **SHARE CAPITAL**

Out of the above warrants, the Company has allotted 76,00,000 equity shares upon conversion of warrants into equivalent number of equity shares of Rs. 2/- at a premium of Rs. 131/- aggregating to Rs. 101.08 Crores to the promoter group companies by way of Preferential Allotment.

In addition to the above, the Company has also issued and allotted 76,79,536 equity shares of Rs. 2/- per share at a premium of Rs. 146.4/- per share upon conversion of FCCB's of US\$ 23.435 million out of FCCBs of US\$ 165 million.

## **ISSUE OF NON CONVERTIBLE DEBENTURES**

Subsequent to the year under review, the Company issued 10% Secured Redeemable Non-convertible Debentures (NCDs) aggregating to Rs.200 Crores on private placement basis to Life Insurance Corporation of India. The NCDs are redeemable in five equal annual installments commencing from the end of 6th year from the date of allotment. The NCDs are listing on the Bombay Stock Exchange Limited.

## **CREDIT RATING**

The Credit Analysis & research Ltd. (CARE) has assigned a CARE AA (CARE Double A) 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.

## **EXPANSION**

During the year under review, the Company has expanded its capacity of manufacturing of machined auto components from 300 lacs unit p.a. to 305 lacs unit p.a. and aluminum casting capacity from 20000 tpa to 30000 tpa.

## **SUBSIDIARY COMPANIES**

As of 30th June 2009, Your Company has following subsidiaries:-

- Smith Jones Inc., USA
- Amtek Investments U.K. Limited (UK)

- Amtek Deutschland GmBh, Germany and
- Amtek Investments U.S. 1 Inc.U.S.A.
- Ahmednagar Forgings Limited
- Amtek Ring Gears Limited (formerly Benda Amtek Limited)
- Amtek Crank Shaft India Limited (formerly Amtek Siccardi India Limited)
- Amtek Transportation Systems Limited

A Statement in respect of the said subsidiaries pursuant to Section 212 of the Companies Act, 1956 is enclosed herewith as required.

The Company has received an exemption from the Central Government under section 212 (8) of the Companies Act, 1956, from the attachment of copies of the Balance Sheet, Profit and Loss Account and other documents of subsidiaries for the year ended 30th June, 2009. The annual report and accounts of the subsidiaries 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**

Mr Rajeev Thakur, retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Brief resume of Mr. Rajeev Thakur containing nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreements with the Stock Exchanges in India, is provided in notice forming part of the Annual Report.

#### **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**

The Audited Consolidated Financial Statement based on the Financial Statement received from subsidiary companies as approved by their respective Board of Directors, have been prepared as per the requirements of the Listing Agreement and Accounting Standards and Guidelines issued by The Institute of Chartered Accountants of India.

#### **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, 14,03,63,749 equity shares representing 99.55% of your Company's Equity Share Capital have been de-materialised.

#### **LISTING AT STOCK EXCHANGE**

The Equity Shares of Company are listed on Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Company has paid annual listing fee to the Stock Exchanges for the year 2009 - 2010.

The Secured Redeemable Non Convertible Debentures of the Company are listed on Bombay Stock Exchange Limited.

The Global Depository Receipts (GDRs) of the Company are listed at London Stock Exchange and Foreign Currency Convertible Bonds (FCCBs) 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 Indian 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 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 year under review;
- That the Directors have 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.

## ACKNOWLEDGEMENT

Your Directors would like to convey their appreciation for all the co-operation and assistance received from the Government, Financial Institutions, Bankers and Stakeholders of the Company. Your Directors also express their appreciation of the dedication of employees in meeting all targets. We look forward to receiving the continued patronage of our business partners to become a better and strong Company.

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

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

Date : 02.12.2009  
Place : New Delhi

**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<br>ii) Process design & improvement for various products |
| b) Benefits derived as result                              | : | 1. Reduction in process time<br>2. Higher productivity<br>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 Absorbtion:**

- |   |   |  |
|---|---|--|
| a) Efforts in brief towards technology absorbtion   | : | The Company has indigenised and absorbed technological changes as advised by collaborators in the past.                    |
| b) Benefits derived as a result of above efforts e.g product  | : | i) Cost reduction to savings in raw material dies & moulds & power & fuel<br>ii) Increase in productivity & better quality |
| c) In case of imported technology (import) during the last 6 years reckoned from the beginning of the financial year) | : | N.A  |

**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 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)	
		<b>Current Year</b>	<b>Previous year</b>
Foreign Exchange Used	:	7,592.88	4163.65
<b>IV. Conservation of Energy</b>		<b>Current Year</b>	<b>Previous year</b>
<b>A. Power &amp; Fuel consumption</b>			
<b>1. Electricity Purchased</b>			
Units (in Lacs)		<b>182.29</b>	161.45
Total Amt. (Rs in Lacs)		<b>839.59</b>	745.92
Rate/Unit		4.61	4.62
<b>2. Own generation through Generator</b>			
Units (in Lacs)		139.48	172.48
Unit/Ltr		<b>3.19</b>	3.20
Rate/Unit		<b>10.31</b>	<b>10.83</b>
Total Amt. (Rs in Lacs)		<b>1437.74</b>	1870.99
<b>B. Consumption Per Unit of Production</b>			
Auto Components (In lacs)		<b>342.82</b>	437.56
Cost/Pc		6.64	5.98

## CORPORATE GOVERNANCE REPORT

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Amtek considers Corporate Governance as an important tool for achieving all round excellence with ultimate objective of enhancing shareholders' value. The Company took initiative in practicing good Corporate Governance procedures, even before they were made mandatory.

Amtek firmly believes that Corporate Governance begins with Company's continuous review of its internal procedures and practices encompassing all its business areas in the most appropriate manner, which would spell fairness, transparency and accountability.

### 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 manages 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, 2009:

**Non-Executive Chairman  
Mr. Arvind Dham, Chairman and Director**

Promoter Director	Executive Director	Non-Executive Director	Non-Executive and Independent Directors
Mr. Arvind Dham	Mr. D.S. Malik	Mr. John Ernest Flintham	Mr. Rajeev Thakur Mr. B. Venugopal* Mr. B. Lugani Mr. Sanjay Chhabra

\* During the year under review, LIC nominated Mr. B. Venugopal, to represent LIC on the Board of the Company in place of Mr. K. Vaidyalingam.

#### 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, Six Board meetings were held on 31.07.2008, 25.10.2008, 01.12.2008, 30.01.2009, 30.04.2009 and 25.05.2009 The Board members are given appropriate documents and information in advance of each Board meeting.

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

<b>Director</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at last AGM</b>	<b>Attendance at last EGM</b>
Mr. Arvind Dham	02	NO	NO
Mr. D. S. Malik	06	YES	YES
Mr. Sanjay Chhabra	05	NO	NO
Mr. Rajeev Thakur	06	NO	NO
Mr. B. Lugani	06	YES	YES
Mr. B.Venugopal	02	NO	NO
Mr. John Ernest Flintham	01	NO	NO

**D. Directors of the company having directorship in other Companies, Membership/Chairmanship in committees (as prescribed under Corporate Governance) across all Companies in which they are directors.**

<b>Name of Director</b>	<b>Category of Directorship</b>	<b>No. of other directorships Held in Other Public Companies*</b>	<b>No. of Membership in other companies committees **</b>	
			<b>Member</b>	<b>Chairman</b>
Mr. Arvind Dham	Promoter & Non Executive Chairman	7	3	–
Mr. D. S. Malik	Executive & Managing Director	6	2	1
Mr. Sanjay Chhabra	Independent & Non Executive	–	–	–
Mr. Rajeev Thakur	Independent & Non Executive	–	–	–
Mr. B. Lugani	Independent & Non Executive	1	4	1
Mr. B. Venugopal (Nominee LIC)	Independent & Non Executive	–	–	–
Mr. John Ernest Flintham	Non Executive	3	–	–

\* This excludes directorship held in Private Companies, Foreign Companies and Companies formed under section 25 of the Companies Act, 1956

\*\* The Committee of Directors includes Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee of Directors only. This does not include Memberships/Chairmanship in committees of Private Limited Companies.

**III. BOARD PROCEDURES**

The members of the Board have been provided with the requisite information in the Listing Agreement well before the Board Meeting and the same was dealt with appropriately.

All the Directors who are in various committees are within the permissible limit of the Listing Agreement and none of the Directors are disqualified for appointment as director under any of the provisions of the Companies Act, 1956.

#### IV. AUDIT COMMITTEE

The Board of the Company has constituted Audit Committee, comprising of three directors. All the members of the committee viz. Mr. B. Lugani (Chairman), Mr. Rajeev Thakur and Mr. Sanjay Chhabra are independent and non executives. The constitution of the Audit Committee meets the requirement of section 292A of the Companies Act, 1956 and the Listing Agreement. The power and role of the Audit Committee is as per the guidelines set out in the Listing Agreement and as prescribed under section 292A of the Companies Act, 1956.

During the period, the committee met 4 times and the attendance of members at the meetings was as follows:

Name of Member	Status	No. of Meetings attended
Mr. B. Lugani	Chairman	4
Mr. Rajeev Thakur	Director	4
Mr. Sanjay Chhabra	Director	4

#### V. REMUNERATION COMMITTEE

The Board has constituted a Remuneration Committee, comprising three non executive and independent directors viz. Mr. Sanjay Chhabra (Chairman), Mr. Rajeev Thakur and Mr. B. Lugani. The committee has been constituted to review and approve the annual salaries, commission, service agreement and other employment conditions for the executive Directors.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

During the year under review, only one meeting of the Remuneration Committee was held, in which all the members were present.

#### (A) The details of the remuneration paid to the Managing Director for the year ended June 30, 2009 are given below:-

(Rs. In Lacs)

Executive Director	Salary*	Commission	Total	Service Contract
Mr. D. S. Malik	12.82	–	12.82	5 Years

\* Salary includes basic salary, perquisites and allowances, contribution to provident fund etc.

#### (B) The details of the remuneration paid to the Non Executive Director for the year ended June 30, 2009 are given below:-

Non Executive Director	Sitting Fee (Rs.)	Commission	Total (Rs.)
Mr. B. Lugani	84,000	–	84,000
Mr. Sanjay Chhabra	76,000	–	76,000
Mr. Rajeev Thakur	84,000	–	84,000
Mr. B. Venugopal	20,000	–	20,000

#### VI. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Board has constituted a Shareholders'/ Investors' Grievance Committee, comprising of three Directors under the Chairmanship of Mr. Rajeev Thakur. The other members in the committee being, Mr. Sanjay Chhabra, and Mr. B. Lugani. The committee has been constituted to specifically look into redressal of shareholders' and investors grievances such as transfer, dividend, and de-materialization related matters.

During the year, the committee met four times. All the members were present in all the meetings held during the period. Total number of letters and complaints received and replied to the satisfaction of shareholders during the year under review was 31. As on 30th June 2009, there are Nil complaints pending with the Company.

The Company has also adopted code of internal procedures and conduct for prevention of insider trading in the shares of the Company, pursuant to Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. The Board has designated Company Secretary as the Compliance Officer for this purpose and has authorized this committee to monitor the compliances as required under the aforesaid Regulation.

#### **VII. SHARE TRANSFER COMMITTEE**

The Board has delegated the powers to approve transfer of the shares to Share Transfer Committee. The Committee held five meeting during the year and approved transfer of the shares lodged with the company.

- The committee deals with the following matters:
- Transfer/transmission of shares;
- Issue of new share certificates/duplicate share certificates;
- Review of de - materialization of shares.
- All other matters relating to shares.

#### **VIII. GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:-

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>	<b>Special Resolutions passed</b>
2007-2008	16, Industrial Estate, Rozka Meo, Sohna, Distt. Gurgaon, Haryana.	31.12.2008	9.30 A.M.	NA
2006-2007	16, Industrial Estate, Rozka Meo, Sohna, Distt. Gurgaon, Haryana.	31.12.2007	9.30 A.M.	<ol style="list-style-type: none"> <li>1. Amendment in Article of Association to reflect increase in Authorised share Capital.</li> <li>2. Issue of Further Shares u/s 81 (1A).</li> <li>3. Issuance of Warrants u/s 81 (1A)</li> </ol>
2005-2006	16, Industrial Estate, Rozka Meo, Sohna, Distt. Gurgaon, Haryana.	26.12.2006	9.30 A.M.	NA

During the year under review, the members of the Company passed a special resolution under section 293 (1) (a) through Postal Ballot enabling the Company to mortgage, lease, transfer, sell or otherwise disposes off and/or create charge on all or any of the moveable and/or immoveable properties of the Company in favour of lender to secure various financial facilities not exceeding Rs. 3000 Crores. Mrs. Iqneet Kaur, Practicing Company Secretary was appointed as Scrutinizer for conducting the postal ballot.

The result of the postal ballot was published in Financial Statement (English Daily) and Jansatta (Hindi Daily). The gist of the result is as follows:-

<b>Date of Declaration of Results</b>	<b>Particulars of Resolution passed</b>	<b>Total Valid Votes</b>	<b>Votes in favour</b>	<b>Votes Against</b>
16th March, 2009	Mortgaging and/or charge of moveable and immoveable properties of the Company U/S 293 (1) (a) of the Companies Act, 1956	49859560 & 100%	48347290 & 96.97%	1512270 & 3.03%

At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.



**IX. DISCLOSURES**

**(A) Basis of related Party Transaction**

The details of all materially significant transactions with related parties are periodically placed before the Audit Committee. The Company has entered into related party transactions as set out in the notes to accounts, which are not likely to have conflict with the interest of the Company.

**(B) Whistle Blower Policy**

The company encourages an open door policy where employees have access to the Head of the business / Function. In terms of Company's Code of Conduct, any instance of non adherence to the code/ any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Head of Corporate Human Resources.

We hereby affirm that no personnel have been denied access to the Audit Committee.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years — Nil

The Company has complied with all mandatory requirements of the revised Clause 49 of the Listing Agreement, which came into effect from 1st January 2006. Further, the Company has also complied with the non-mandatory requirement relating to constitution of Remuneration Committee, Shareholder Rights and establishing the Whistle Blower Policy.

**(C) Code of Business Conduct and Ethics for Directors and management personnel**

The Board has prescribed a Code of Conduct ("Code") for all Board members and senior management of the Company. The Code has been posted on the website of the Company ([www.amtek.com](http://www.amtek.com)). All Board members and senior management personnel have confirmed compliance with the Code for the year 2008-09. A declaration to this effect signed by the Managing Director & CEO of the Company, is provided elsewhere in the Annual Report.

**(D) Disclosure of Accounting Treatment :**

In the preparation of financial statements for the year ended on June, 2009; there was no treatment different from that prescribed in an accounting standard that had been followed.

**(E) Board Disclosures – Risk Management :**

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of properly defined framework.

**(F) Proceeds from preferential issues of warrants etc.**

During the year under review, the Company raised an amount of Rs. 49.87 Crores through preferential issues of warrants on private placement basis, the uses / application of funds of which were disclosed to the Audit Committee as a part of their quarterly declaration of financial results. The funds were utilized for their intended purposes as disclosed in the respective Notices calling General Meeting seeking shareholders approve for such issues. All such disclosures were duly certified by the statutory auditors.

**X. SUBSIDIARY MONITORING FRAMEWORK**

All the Subsidiary Companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stockholders. As a majority stockholder, the Company nominates its representatives on the Boards of Subsidiary Companies and monitors the performance of such Companies inter alia, by the following mean:

- a) Financial Statements, in particular the investments made by the unlisted Subsidiary Companies, are reviewed quarterly by the Audit Committee of the Company.
- b) All minutes of the meetings of the unlisted Subsidiary Companies are placed before the Company's Board regularly.
- c) A statement containing all significant transactions and arrangements entered into by the unlisted Subsidiary Companies is placed before the Company's Board.

**XI. MEANS OF COMMUNICATION**

Results for quarter ended 30th September 2008, 31st December 2008, 31st March 2009 and 30th June 2009 have been published in English and Hindi newspapers (viz Pioneer and Vir Arjun).

The Company also uploads its financial results, shareholding pattern and other information on the website of the Company i.e. [www.amtek.com](http://www.amtek.com)

A Management Discussion and Analysis Report which forms part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

**XI. GENERAL SHAREHOLDERS INFORMATION**

**1. ANNUAL GENERAL MEETING**

Date	December 31, 2009
Day	Thursday
Time and Venue	9.30 A.M, Plot No.16, Industrial Estate Rozka-Meo, Sohna, Distt. Gurgaon (Haryana)

**2. FINANCIAL CALENDER:  
(Tentative & Subject to change)**

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Financial year : 2009-2010	July 1, 2009 to June 30, 2010
First Quarter Results	End October, 2009
Second Quarter Results	End January, 2010
Third Quarter Results	End April, 2010
Fourth Quarter Results	End July, 2010

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**3. DATES OF BOOK CLOSURE:** Monday, December 28, 2009 to  
Thursday, December 31, 2009  
(Both days inclusive)

**4. DIVIDEND PAYMENT DATE:** On or before January 30, 2010

**5. LISTING ON STOCK EXCHANGES:**

a) The Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fees for the year 2009-2010 has been paid to the Stock Exchanges with-in the stipulated time.

b) The Global Depository Receipts are listed on London Stock Exchange and Foreign Currency Convertible Bonds are listed on Singapore Stock Exchange.

**c) Debt Securities**

The wholesale Debt Market (WDM) Segment of BSE.

**d) Debenture Trustee**

Axis Bank Limited  
Maker Tower F, 13th Floor, Cuffe Parade, Colaba  
Mumbai-400005

**6. STOCK CODES:**

MUMBAI STOCK EXCHANGE	:	Security Code	520077
NATIONAL STOCK EXCHANGE	:	Trading Symbol	AMTEKAUTO
ISIN NO. for dematerialized shares	:	INE 130C01021	



**6a. STOCK MARKET DATA**

Monthly high and low quotations of shares traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
July 2008	244.70	192.25	234.35	205.35
August 2008	215.00	169.30	204.60	173.50
September 2008	190.00	159.90	185.95	162.50
October 2008	166.45	58.20	164.00	68.15
November 2008	81.00	42.25	73.15	43.75
December 2008	78.40	46.10	70.05	47.80
January 2009	74.90	48.00	69.05	49.60
February 2009	90.90	50.00	87.35	53.25
March 2009	92.40	69.00	89.05	70.15
April 2009	117.90	73.50	106.35	75.95
May 2009	156.90	96.05	149.15	99.20
June 2009	159.00	121.50	151.80	121.30

**Bombay Stock Exchange**



**National Stock Exchange**

**7. REGISTRARS AND TRANSFER AGENTS:**

Beetal Financial & Computer Services Pvt. Ltd.  
 BEETAL HOUSE, 3rd Floor, 99, Madangir,  
 B/h. L.S.C. New Delhi - 110 006  
 Phone No. : 011 – 29961281-82-83  
 Fax No. 011 - 29961284

**8. SHARE TRANSFER SYSTEM**

Presently, the share certificates which are received for transfer in physical form are processed and are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The transfers are approved in the Share Transfer Committee which meets on a periodical basis.

**9. DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2009**

No. of Shares held (Rs.2/- paid up)	Shareholders Number	% of Total	Total (in Rs.)	% of Total Shareholding
Up to 5000	11540	98.05	4276740	1.52
5001 10000	70	0.59	498410	0.18
10001 20000	37	0.31	543950	0.19
20001 30000	21	0.18	502018	0.18
30001 40000	10	0.08	344046	0.12
40001 50000	6	0.05	282436	0.10
50001 100000	16	0.14	1188524	0.42
100001 Above	69	0.59	274350162	97.29
<b>TOTAL :</b>	<b>11769</b>	<b>100.00</b>	<b>281986286</b>	<b>100.00</b>

**10. THE SHAREHOLDING PATTERN ON JUNE 30, 2009**

Category Code	Category of Shareholder	Total Number of Shareholders	Total Number of Shares	Percentage
(A)	Shareholding of Promoter and Promoter Group			
<b>(1)</b>	<b>Indian</b>			
(a)	Individual's/Hindu Undivided Family	4	2797240	1.984
(b)	Central Government/State Government(s)	0	0	0
(c)	Bodies Corporate	8	45493400	32.266
(d)	Financial Institutions / Banks	0	0	0
(e)	Any Other (specify)	0	0	0
	<b>Sub – Total (A) (1)</b>	<b>12</b>	<b>48290640</b>	<b>34.250</b>
<b>(2)</b>	<b>Foreign</b>			
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0
(b)	Bodies Corporate	0	0	0
(c)	Institutions	0	0	0



# AMTEK AUTO LIMITED

(d) Any Other (Specify)	0	0	0
<b>Sub – Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>12</b>	<b>48290640</b>	<b>34.250</b>
<b>(B) Public Shareholding</b>			
<b>(1) Institutions</b>			
(a) Mutual Funds/UTI	10	4852908	3.442
(b) Financial Institutions / Banks	10	902735	0.640
(c) Central Government / State Government(s)	0	0	0
(d) Venture Capital Funds	0	0	0
(e) Insurance Companies	0	0	0
(f) Foreign Institutional Investors	59	71682694	50.841
(g) Foreign Venture Capital Investors	0	0	0
(h) Any Other (Specify) (OCB/Foreign Bank)	0	0	0
<b>Sub Total (B) (1)</b>	<b>79</b>	<b>77438337</b>	<b>54.923</b>
<b>(2) Non-Institutions</b>			
(a) Bodies Corporate	462	9894546	7.018
(b) Individuals –			
i. Individual Shareholders holding nominal Share Capital upto Rs. 1 lakh.	10702	2452809	1.740
ii. Individual Shareholders holding nominal Share Capital in excess of Rs. 1 lakh	6	2155469	1.529
(c) Any Other (specify)	0	0	0
(i) Trusts	1	350	0.000
(ii) Clearing Members	61	38962	0.028
(iii) NRI Individuals	222	203155	0.144
(iv) HUF	221	90992	0.065
(v) Foreign Corporate Bodies	2	417883	0.296
<b>Sub-Total (B)(2)</b>	<b>11677</b>	<b>15254166</b>	<b>10.819</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>11756</b>	<b>92692503</b>	<b>65.743</b>
<b>TOTAL (A) + (B)</b>	<b>11768</b>	<b>140983143</b>	<b>99.993</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>1</b>	<b>10000</b>	<b>0.007</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>11769</b>	<b>140993143</b>	<b>100.00</b>

## 11. DEMATERIALISATION OF SHARES AND LIQUIDITY:

The dematting facility exists with both the NSDL and CDSL for the convenience of shareholders. As on 30th June 2009 equity 14,03,63,749 shares representing 99.55% of your Company's Equity Shares Capital have been de-materialised.

## 12. OUTSTANDING GDRS/ADRS/ WARRANTS/ OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

During the year 2004-2005, the Company had issued 94,15,000 Global Depository Receipts(GDRs) at an offer price of US\$ 7.328 each aggregating to US\$ 69 million representing 1,88,30,000 underlying Equity Shares of Rs.2/- each at a

premium of Rs.163/- per share. As on 30th June 2009 the Company has 10,000 outstanding GDRs. On the conversion of GDRs into equity shares there will be no impact on the equity capital of the Company, since the Company has already issued shares to the trustee i.e. Bank of New York.

During the year 2004-05, the Company issued 1,50,000 Foreign Currency Convertible Bonds of US\$ 1000 each. As on date FCCBs of US\$ 132.50 million have been converted into 2,75,88,613 equity shares of Rs.2/- each at a conversion price of Rs.209.83 per share. Recently, The Company has also bought back FCCBs of US\$ 9.5 million and the same have been cancelled. As of date FCCBs of US\$ 8 million are outstanding.

During the year 2005-06, the Company issued 2,500 Zero Coupon Foreign Currency Convertible Bonds of US\$ 100,000 each aggregating to US\$ 250 millions convertible into equity shares of the Company at the option of the investors. The new FCCBs will be initially converted into equity shares of the Company at the rate of Rs.458.64 per share. The Company has brought back FCCBs of US\$ 113.9 and the same has been cancelled. As of date FCCBs of US\$ 136.1 million are outstanding.

Subsequent to the year ended 2008-09, the Company has issued 33,000 5.625% Coupon Foreign Currency Convertible Bonds of US\$ 5,000 each aggregating to US\$ 165 millions convertible into equity shares of the Company at the option of the investors. The new FCCBs will be initially converted into equity shares of the Company at the rate of Rs.148.40 per share.. As on date 4687 FCCBs of US\$ 23.44 million have been converted into 76,79,536 equity shares of Rs.2/- each at a conversion price of Rs.148.40 per share. As of date FCCBs of US\$ 141.56 million are outstanding.

Subsequent to the year ended 2008-09, the Company issued and allotted 15 million warrants entitling the warrant holder(s) to apply for equivalent number of fully paid up equity shares of Rs.2/- per share at a premium of Rs.131/- per share. As on date 7.6 million warrants has been converted into equivalent number of equity shares. As of date 7.4 million warrants are outstanding.

Assuming that all the outstanding FCCB's and warrants are converted into equity shares during the year ended 30th June 2010, the paid up capital of the Company will increase from Rs.31,25,45,358/- divided into 15,62,72,679 Equity Shares of Rs.2/- each to Rs.45,00,69,482/- divided into 22,50,34,741 Equity Shares of Rs. 2/-each.

### **13. PLANT LOCATION**

Unit I - 16, Industrial Estate, Rozka Meo, Sohna, Distt. Gurgaon, Haryana.

Unit II - Bagumpur Khataula, P.O. Khandsa, Distt. Gurgaon, Haryana.

Unit III - Vill. Mohammadpur, Jharsa, Distt. Gurgaon (Haryana).

Unit IV- Village Malpura, Jharsa, Distt. Gurgaon, Haryana

Unit V - Plot No. 1, Sector -II, New Industrial Area, Distt. Raisen, Mandideep – 462046.

Unit VI – Plot No. 1, Industrial Area, Dharuhera, Rewari, Haryana.

Unit VII – Plot No. 53, Sector – III, Industrial Area, IMT Manesar, Gurgaon ( Haryana)

Unit VIII – Gat No. 1074-1085, Sanaswadi Shikrapur Chakan Road, Taluka Shirpur, Pune, Maharashtra.

Unit IX – Nalagarh , Distt. Solan (H.P.)

Unit X – Ranjangaon, Pune, (Maharashtra)

Unit XI – Plot No. 20, Phase-I, Industrial Area, Dharuhera, Rewari, Haryan

### **14. INVESTORS CORRESPONDENCE MAY BE ADDRESSED TO:-**

Mr. Rajeev Raj Kumar, Company Secretary  
Bhanot Apartment, 4, Local Shopping Centre,  
Pushpvihar, New Delhi – 110 062.  
Ph. 011- 51649800 Fax: 011-29054554

By order of the Board  
**for AMTEK AUTO LIMITED**

Date : 02.12.2009  
Place : New Delhi

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



**AUDITORS' REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Shareholders  
**Amtek Auto Limited**

To  
The Shareholders  
Amtek Auto Limited

We have examined the compliance of conditions of Corporate Governance by Amtek Auto Limited for the Year ended on 30th June 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that the shareholders/ Investors Grievance Committee has maintain records to show the Investors Grievance and certify that as at 30.06.2009, there were no investors grievance remaining unattended/pending for more than 30 days.

We further state that such compliances are neither an assurance as to the future viability of the company not to the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Manoj Mohan & Associates**  
Chartered Accountants

Place : New Delhi  
Date : 02.12.2009

Sd/-  
**(M. K. Aggarwal)**  
Partner

**DECLARATION BY CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

As required under 49 of the Listing Agreement with Stock Exchange, it is hereby confirmed that for the year ender 30th June 2009, the Director's of Amtek Auto Limited have affirmed compliance with the Code of Conduct for Board Members as applicable to them and members of the senior management have affirmed compliance with Employee Code of Conduct, as applicable to them.

New Delhi  
02.12.2009

Sd/-  
**D.S. Malik**  
Managing Director

**CEO AND CFO CERTIFICATION**

We, D.S.Malik, Managing Director and Vinod Uppal, Vice President (Finance), responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 30th June 2009 and to the best of our knowledge and belief:
  - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading ;
  - II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 30th June 2009 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - I) There has not been any significant change in internal control over financial reporting during the year under reference;
  - II) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - III) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

New Delhi  
02.12.2009

Sd/-  
**VINOD UPPAL**  
Vice President (Finance)

Sd/-  
**D. S. MALIK**  
Managing Director

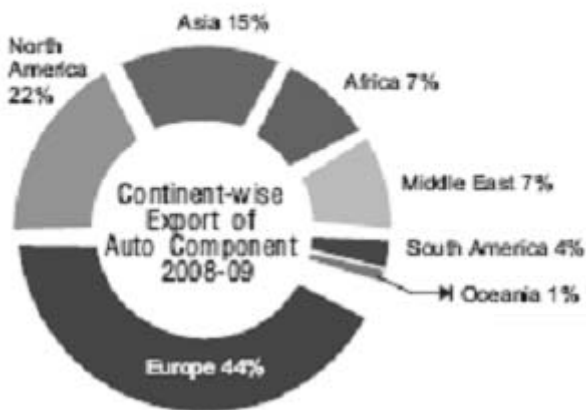
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Indian Automotive Component Industry**

The Indian Auto Industry is the Second Largest two wheeler manufacturer in the World, Largest tractor and three wheeler manufacturers in the World, It is the Fourth largest Commercial vehicle market in the world and Eleventh Largest passenger car market in the world.

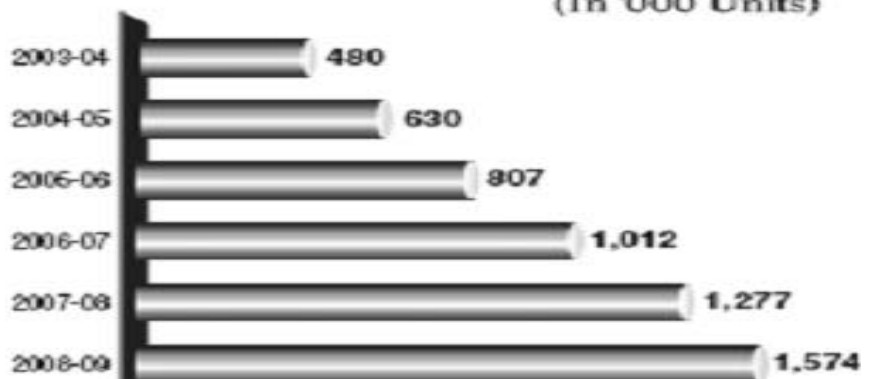
The Indian automotive component industry generated approximately U.S. \$16 billion in revenue in the year 2008 – 2009, slightly de-growing from approximately U.S. \$18 billion in the previous year. The market showed a compound annual growth rate (CAGR) of approximately 28 percent in the four years up to 2007 – 2008.

**DIRECTION OF EXPORTS**



Exports currently contribute approximately 22 percent of Indian automotive component revenue, with over 60 percent of these exports to developed markets. The recent economic downturn, affecting disproportionately export markets, will in all likelihood change this ratio, with exports expected to represent a reduced share of the Indian automotive component market.

**INDIAN AUTOMOBILE INDUSTRY EXPORTS (In '000 Units)**



Engine components constituted the largest share of the Indian automotive component market, contributing around one fifth of revenue, with other major contributors being parts for driving transmission, steering, suspension and braking, and electrics.

**Industry Overview**

The industry is highly fragmented, with an organised sector comprising around 575 suppliers, catering to approximately 77 percent of demand, with the balance being supplied by the fragmented unorganised sector.

The industry is generally divided into various levels of supply, with a tier structure scale which differs from automotive component market world-wide. The result is that most Indian Tier-1 automotive component companies would more correctly be described as Tier-2 or Tier-3 classified suppliers in other countries. A standardised global definition of market tiers in this sector is as follows:

- Tier-1 — Companies that manufacture and deliver components, modules, sub-systems or systems directly to a vehicle manufacturer's location; typically a vehicle, engine, axle or axle assembly plant. They have advanced design, parts sourcing and systems integration responsibilities for products delivered.
- Tier-2 — Companies that manufacture and deliver individual components or sub- assemblies (modules) to Tier-1 suppliers. They are commodity manufacturing specialists, providing design input to OEMs and Tier-1 suppliers.
- Tier-3 — Companies that manufacture and deliver individual components to Tier-2 suppliers.

#### **Recent Developments**

- The Investment Commission of India set a target of attracting foreign investment worth U.S.\$ 5 billion by 2016 to increase India's share in the global automotive components market from the existing level of approximately 1 per cent. to 2.5 percent by 2015.
- Several Indian automotive component majors have entered into joint ventures and mergers with global automotive component makers
- The Indian government has taken several initiatives to promote FDI in the industry, these include:
  - o Allowing automatic approval for foreign equity investment of up to 100 per cent. in manufacture of automobiles and components;
  - o Delicensing the automobile industry; and
  - o Removing restraints on import of components.
- Indian automotive component and tyre companies serving the European market are attempting to meet European norms for automobile recycling, which is slated to come into effect by 2010.
- The Indian Government recently reduced the excise duty applicable to automotive components to stimulate growth in the sales of passenger cars and utility vehicles.
- The World Trade Organisation recently ruled against the imposition of 25 percent import duty on automotive parts by China. Indian automotive component manufacturers stand to gain significantly from the ruling as any cut in the duty will make their products cheaper in the Chinese market, and give them more access to the Chinese markets.

## **2. OPPORTUNITIES & CONSTRAINTS**

### **OPPORTUNITIES**

The factors that make India as an Auto hub:-

- ***Large-scale availability of technically skilled manpower***

Approximately 0.4 million engineers graduate from various Indian engineering colleges every year. The ability of Indian companies to offer skilled manpower and product development services at competitive rates has to date given India an advantage over other low cost production countries, such as Brazil, Mexico and China.

- ***Low cost of labour***

India's cost advantages in the manufacture of automotive components are similar to those of the Indian software services companies, which have benefited from the global outsourcing trend in the last decade. Qualified and experienced engineers are available at lower costs than their counterparts in the more developed markets of the United States and Japan. For example, according to industry reports, the average labour cost to sales in the forging industry is less in India compared to that in the United States. The average wage rates in India are significantly lower than the developed markets.

- ***Established reputation for quality***

Indian automotive component manufacturers have increasingly established a reputation for quality. Approximately 80 percent of the automotive component manufacturers in India have ISO 9000 certification and approximately 50 percent have QS 9000 certification, an essential prerequisite for the supply of products to OEMs in the United States. In addition, a number of Indian companies have received the Deming Award, an award which recognises an outstanding commitment to quality control.



## ■ **Experience of working with global OEMs**

The Indian domestic automobile market has recently gone through a period of high growth which resulted in many of the major global automotive manufacturers establishing themselves in India. Major OEMs and Tier-I suppliers are already purchasing automotive components from India for their global requirements. The entry of global market leaders has given the automotive component companies in India an opportunity to work with such OEMs on global production, quality and delivery systems.

## ■ **Raw material availability (including iron ore and steel)**

India has low-cost manufacturers of steel and aluminium, which are major suppliers to the forging and casting industry. The readily available low cost raw material supply, together with the production capabilities, helps reduce costs of procurement and makes India an attractive outsourcing market.

## ■ **Proximity to markets**

- o Proximity to other Asian economies
- o Proximity to the emerging markets like India
- o Shipments to Europe cheaper than those from Brazil and Thailand.

## ■ **Grants and Incentives for R&D work**

- o 100% grant for fundamental research
- o 75% for pre-competitive technology
- o 50% for product development

## **CONSTRAINTS**

### • **Liquidity position**

Tightening of liquidity position would have an adverse impact on the industry.

### • **Hardening of interest rates and other inflationary trends**

Due to overall recession in the industry, there has been increase in interest rates and inflation in the economy which caused adverse impact on the industry and in turn company's revenue and profits.

### • **Input costs**

Prices of commodity items like steel, non-ferrous and precious metals witnessed unprecedented increases in short period last year, which could only be partially offset by the Company's cost reduction initiatives. Whilst the Company continues to pursue cost reduction initiatives, increase in price of input materials, could have a negative impact on the demand in the domestic market and/or could severely impact the Company's profitability to the extent that these cost escalations are not absorbed by the market through price realization.

### • **Exchange rates**

The Company has large foreign currency borrowing in the form of foreign currency convertible securities. Movements in exchange rates and volatility in the foreign exchange markets could significantly impact profits.

### • **Manufacturing**

The Company manufactures its products at multiple location and its operations could be affected by disruption in its supply chain due to any natural calamities and work stoppages at its suppliers end due to load shedding, labour problems, etc.

## **3. SEGMENT WISE PERFORMANCE**

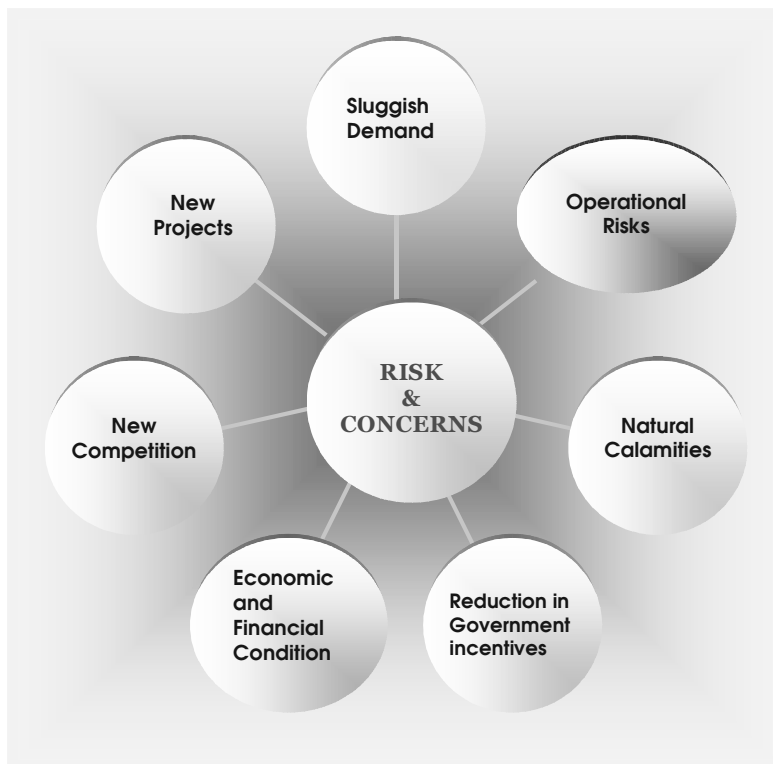
The company deals in only one segment i.e. Automotive components. Therefore, it is not possible to give segment wise performance.

**4. FUTURE OUTLOOK**

Gradually, the automotive industry is showing signs of revival in domestic market which leads to improvement in the automotive components industry. As far as export demand is concerned, the Indian automotive components industry has strong potential to increase exports due to optimal cost, adherence to quality controls, World class Research and Development facilities, availability of skilled manpower, latest technology and high quality vehicular testing. In the light of the above, we believe that the total value of export of auto component is expected to reach US\$ 20-25 billion.

Considering the scenario, it is expected that by 2016, automotive sector can DOUBLE its percentage contribution to GDP from current levels of 5% (US \$ 50 billion) to 10% (\$180 billion) which could result in India becoming World’s third largest automobile market in 2030.

**5. RISKS & CONCERNS**



- **Sluggish Demand**

There has been sluggishness in demand in the auto sector due to economic slow down which may adversely affect the Company. However, this can be mitigated by diversifying the client base and activities.

- **Operational Risks**

In the normal course of business, the Company is exposed to external risks such as overall demand fluctuations in the market segment in which it operates reduction in relative market share for its products due to the impact of competition as well as internal risks such as variations in operational efficiency and cost structure. The Company is also exposed to the financial risks in the form of foreign exchange fluctuations and interest rate variations. The Company is taking appropriate steps to guard itself against these identified risks.

- **Natural calamities**

India has experienced natural calamities such as earthquakes, floods, drought and a tsunami in recent years, most notably the Kashmir earthquake on 8 October 2005, the Mumbai floods on 26 July 2005 and the tsunami that struck the southern coast of India and other Asian countries on 26 December 2004. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal



rainfall and other natural calamities could have an adverse impact on the Indian economy which could adversely affect the business, operations and financial condition of the Company.

- **Reduction in Government incentives**

The auto component industry enjoys certain fiscal benefits on account of policies of the Government, including concessional duty imports and incentives on account of our export sales. Any change in the policies of the Government or reduction in such assistance could have a material adverse effect on our results of operations.

- **Economic and financial conditions**

Demand for automobile products globally may be adversely affected in any country by factors such as changes in economic policy, fiscal policy, export-import policy, taxation policy, political and financial instability, declining growth rates of the economy, increases in the import tariffs and domestic duties on the raw materials required for automobile component production.

- **New Competition**

Intensity of competition has increased in almost all the segments of the Indian automotive market due to entry of new players and expansion plans of existing ones. The Company is aware of the increasing competition and is taking measures to remain competitive in the market place.

## 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a proper and adequate system of Internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

There is an elaborate internal audit system which is done by Independent firm of Internal Auditors. Their reports on the internal controls and their adequacy are regularly discussed with the Management and corrective measures wherever required, are taken and continuously monitored.

The Audit Committee of the Board meets regularly to review the adequacy of internal controls, Internal audit findings and the corrective actions are taken, if necessary. The Management is reasonably satisfied about the adequacy of these internal control systems.

## 7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### A. Revenue

The gross revenue of Rs. 119527.83 lacs was recorded in the financial year ended 30th June, 2008 as compared to Rs. 142465.26 lacs in the previous year.

### Profits

The Company has earned Profit before Interest, Depreciation and Tax of Rs. 33038.10 lacs during the financial year ended 30th June, 2009 as compared to previous year's profit of Rs. 44650.76. The profit after tax for the year ended June 30, 2009 stood at Rs. 15222.67 lacs as compared to previous year's figures of Rs. 26125.06 lacs.

### B. Earning Per Share (EPS)

The Company recorded an EPS of Rs. 10.80 per equity share of Rs.2 each during 2008-09.

### C. Dividend

The Board has recommend a dividend of Rs. 0.50 per equity share (being 25% on the par value per equity share of RS.2/- each), to be appropriated from the profits of the Company for the year ended 30th June, 2009.

### D. Dividend Payout

The Proposed Dividend if approved at the ensuing Annual General Meeting would result in appropriation of Rs. 824.78 lacs (including Corporate Dividend Tax of Rs. 119.81) Lacs out of Profits. The total appropriation of Dividend of Rs.824.78 Lacs gives 5.42% percent payout on net profit of the Company.

**8. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT**

The management is pleased to mention that the employer-employee relations have been very cordial during the year and the management has been successful in keeping the employees motivated and committed towards achievement of company goals. Where the management continued to give top priority to the training and development of employees; the employees have contributed significantly towards various cost saving schemes.

Leadership development programs have been formulated with leading institutes to train the senior management team. Development workshops were also conducted to bring in the awareness on skills such as Project management and Team dynamics.

The Company continues to maintain its record on industrial relations with not a single day of work being lost because of labour unrest.

**9. CAUTION STATEMENT**

The above mentioned statements are only "forward looking statements" based on certain assumptions/expectations. The Company's actual performance could differ materially from those expressed/projected depending upon changes in various factors. The Company does not assume any responsibility to any change(s) in "forward looking statements", on the basis of subsequent development, information or events etc.

By order of the Board  
**for AMTEK AUTO LIMITED**

Date : 02.12.2009  
Place : New Delhi

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



**AUDITORS' REPORT**

To,  
The Members,  
**Amtek Auto Limited**  
New Delhi

We have audited the attached Balance Sheet of Amtek Auto Limited as at 30th June 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India (Indian GAAP). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 (as amended) by the companies (Auditors' Report) (amended) order, 2004 (together the order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account, as required by law, have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement of the company, dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 30th June 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June 2009;
  - (b) in the case of the Profit and Loss Account, of the *Profit* for the year ended on that date; and
  - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For & on behalf of  
**Manoj Mohan & Associates**  
Chartered Accountants

Place : New Delhi  
Dated : 2nd December, 2009

Sd/-  
**(M. K. Aggarwal)**  
(Partner)  
Membership No. - 76980

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE OF AMTEK AUTO LIMITED FOR THE YEAR ENDED 30TH JUNE 2009**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, have been physically verified by the management at reasonable intervals. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) During the year, the company has not disposed off substantial part of the fixed assets and the going concern status of the company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable.
- (b) The procedure for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (d) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company, during the year under report, has given loans & advances to its seven subsidiaries companies and joint ventures, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - a) The maximum amount involved during the year was Rs.68,501.76 lacs.
  - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima-facie prejudicial to the interest of the company.
  - c) In respect of the loan granted to its subsidiaries, the loan is interest free and being repayable on demand are not overdue.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, consumable stores, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the act has been entered in the register required to be maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the company has complied with all the provisions of section 58A and 58AA and any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to deposits accepted from public. No order has been passed by the Company Law Board, Reserve Bank of India, National Company Law Tribunal or any other Court or any Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central government has prescribed maintenance of cost accounting records under section 209 (1) (d) of the Companies Act, 1956 in respect of certain machining activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been properly maintained.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.



## AMTEK AUTO LIMITED

(b) The disputed statutory dues aggregating to Rs.30.04 lacs, that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where dispute is pending	Amount (Rs. in lacs)
1.	Haryana Sales Tax Act & Central Sales Tax Act	Sales Tax	1991	Appellate Sales Tax Tribunal	10.62
2.	Excise Duty	Convat	2008	Commissionerate Delhi III	19.04
<b>Total</b>					<b>30.04</b>

- (x) The company has no accumulated losses and has not incurred any cash loss during the year under report or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause of 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the company. The company, however, is maintaining proper records of transactions and contracts in respect of long term investment made by it and timely entries have been made therein. Further, all the securities including shares, debentures and other investments have been held by the company in its own name.
- (xv) The company has given guarantees for credit facilities taken by others from Banks or Financial Institutions, the terms and conditions whereof are not prejudicial to the interest of the company.
- (xvi) According to the information and explanation given to us, in our opinion, term loan availed by the company were, prima facie, applied by the company during the year under report for the purpose for which the term loans were obtained, other than temporary deployment pending applications.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment and no long term funds have been used to finance short term assets except permanent working capital.
- (xviii) According to the information & explanation given to us, the company, during the year under report, has not made preferential allotment of shares/warrants to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to information and explanation given to us and the records of the company examined by us, the company has issued Non Convertible Debentures and has created security in favour of the debenture holders.
- (xx) According to information and explanation given to us and the records of the company examined by us, the Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For & on behalf of  
**Manoj Mohan & Associates**  
Chartered Accountants

Place : New Delhi  
Dated : 2nd December, 2009

Sd/-  
**(M. K. Aggarwal)**  
(Partner)  
Membership No. - 76980

**BALANCE SHEET AS AT 30TH JUNE 2009**

(Rs. In Lacs)

PARTICULARS	SCHEDULE	As at 30th June 2009	As at 30th June 2008
<b>I. SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDER'S FUNDS</b>			
(a) Share Capital	1	2,819.86	2,819.86
(b) Warrants against Share Capital	1A	4,987.50	6,900.00
(c) Reserves & Surplus	2	251,462.34	230,164.45
<b>2. LOAN FUNDS</b>			
(a) Secured	3	88,042.28	8,323.29
(b) Unsecured		247,209.23	224,224.26
<b>TOTAL</b>		<b>594,521.21</b>	<b>472,431.86</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
Gross Block	4	366,360.27	292,198.71
Less : Accumulated Depreciation		41,090.68	29,713.27
<b>Net Block</b>		<b>325,269.59</b>	<b>262,485.44</b>
<b>2. INVESTMENTS</b>			
	5	49,349.60	41,838.27
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>(a) Current Assets</b>			
i) Interest Receivables		140.08	377.91
ii) Inventories		33,431.71	25,022.73
iii) Sundry Debtors		30,583.48	26,344.41
iv) Cash & Bank Balances		66,113.15	92,384.12
<b>(b) Loans &amp; Advances</b>			
		126,469.98	50,163.37
<b>Total Current Assets And Loans &amp; Advances</b>		<b>256,738.40</b>	<b>194,292.54</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	7	36,011.91	25,572.62
Provisions		824.78	824.78
<b>Total Current Liabilities &amp; Provisions</b>		<b>36,836.69</b>	<b>26,397.40</b>
<b>Net Current Assets</b>		<b>219,901.71</b>	<b>167,895.14</b>
<b>4. MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)	8	0.31	213.01
<b>TOTAL</b>		<b>594,521.21</b>	<b>472,431.86</b>

Notes to the Accounts & Significant Accounting Policies 12  
The accompanying schedules 1 to 12 form an integral part of the accounts.

**For and on behalf of the Board**

In terms of our report of even date attached

**For Manoj Mohan & Associates**

Chartered Accountants

Sd/-

**(M.K. AGGARWAL)**

Partner

Membership No. - 76980

Sd/-

**ARVIND DHAM**

Director

Sd/-

**D.S. MALIK**

Managing Director

Sd/-

**RAJEEV RAJ KUMAR**

Company Secretary

Sd/-

**VINOD UPPAL**

V.P (Fin.& Acctf.)

Place : New Delhi

Dated : 2nd December, 2009

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2009**

(Rs. In Lacs)

PARTICULARS	SCHEDULE	For the year ended 30th June 2009	For the year ended 30th June 2008
<b>INCOME</b>			
Sales & Other Income		<b>119,527.83</b>	<b>142,465.26</b>
<b>EXPENDITURE</b>			
Materials & Manufacturing Expenses	9	70,107.46	85,252.52
Personnel Expenses	10	6,124.18	5,971.44
Administrative, Selling & Other Expenses	11	4,043.29	3,451.74
Financial Expenses		6,214.80	3,138.80
<b>TOTAL</b>		<b>86,489.73</b>	<b>97,814.50</b>
Profit before Depreciation		<b>33,038.10</b>	<b>44,650.76</b>
Depreciation		12,260.35	9,457.09
<b>Profit Before Tax</b>		<b>20,777.75</b>	<b>35,193.67</b>
Tax Expenses		5,555.08	9,068.61
<b>Profit After Tax for the year</b>		<b>15,222.67</b>	<b>26,125.06</b>
Add: Surplus brought forward from earlier years		14.90	12,508.76
<b>Balance available for Appropriation</b>		<b>15,237.57</b>	<b>38,633.82</b>
<b>APPROPRIATIONS :</b>			
Transferred to General Reserves		11,800.88	3,000.00
Transferred to Foreign Currency Convertible Bond Redemption Reserve		2,475.00	34,700.00
Proposed Dividend on Equity Shares		704.97	704.97
Dividend & Tax for Previous year (not appropriated in the previous year)		-	94.14
Corporate Dividend Tax		119.81	119.81
<b>Surplus carried to Balance Sheet</b>		<b>136.91</b>	<b>14.90</b>
Earning Per Share (Before considering exceptional/Extra ordinary items)	Basic (Rs.)	10.80	18.10
	Diluted (Rs.)	9.00	13.76
Earning Per Share (After considering exceptional/Extra ordinary items)	Basic (Rs.)	10.80	19.15
	Diluted (Rs.)	9.00	14.55
Notes to the Accounts & Significant Accounting Policies	12		
The accompanying schedules 1 to 12 form an integral part of the accounts.			

**For and on behalf of the Board**

In terms of our report of even date attached

**For Manoj Mohan & Associates**

Chartered Accountants

Sd/-

**(M.K. AGGARWAL)**

Partner

Membership No. - 76980

Sd/-

**ARVIND DHAM**

Director

Sd/-

**D.S. MALIK**

Managing Director

Sd/-

**RAJEEV RAJ KUMAR**

Company Secretary

Sd/-

**VINOD UPPAL**

V.P (Fin.&amp; Acctt.)

Place : New Delhi

Dated : 2nd December, 2009

**CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009**

(Rs. In Lacs)

PARTICULARS	For the year ended 30th June 2009	For the year ended 30th June 2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit as per Profit & Loss Account	<b>20,777.75</b>	<b>35,193.67</b>
Add: Depreciation	12,260.35	9,457.09
Add : Financial Charges	6,214.80	3,138.80
Loss/(Gain) on sale of fixed assets, net	(241.56)	(830.67)
Dividend Income	(359.51)	(695.56)
Interest Received & Other Income	(13,681.11)	(10,141.77)
Less Reversal Due to Transitional Liability as per AS-15 (Revised)	0.00	(53.48)
Deferred & Preliminary exp. written off	212.70	212.70
	<b>25,183.42</b>	<b>36,280.78</b>
(Increase)/Decrease in Inventories	(8,408.98)	(9,251.34)
(Increase)/Decrease in Other Receivables	237.83	(369.04)
(Increase)/Decrease in Sundry debtors	(4,239.07)	(11,178.89)
(Increase)/Decrease in Loans & advances	(76,306.61)	(13,513.48)
Increase/(Decrease) in Current Liabilities	4,565.32	972.07
<b>Cash Generation by operations</b>	<b>(58,968.09)</b>	<b>2,940.10</b>
Interest Received & Other income	13,681.11	10,141.77
Dividend Received	359.51	695.56
<b>Net cash from operating activities</b>	<b>(44,927.47)</b>	<b>13,777.43</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to fixed assets (including capital work in progress)	(75,345.58)	(96,449.92)
Proceeds from sale of fixed assets	542.64	1,514.73
Purchase of investments (Net)	(7,511.33)	(10,827.92)
<b>Net Cash from Investing Activities</b>	<b>(82,314.27)</b>	<b>(105,763.11)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital/FCCB Conversion	0.00	38,920.38
Proceeds from Application money against warrants	4,987.50	6,900.00
Proceeds from new borrowings	81,129.87	115,147.20
Repayment of borrowings (Including FCCB Conversion & Fluctuation)	21,574.09	(9,953.51)
Financial Charges Paid	(5,895.91)	(1,282.48)
Payment of Dividend & Tax thereon	(824.78)	(4,684.68)
<b>Net Cash from financing activities</b>	<b>100,970.77</b>	<b>145,046.91</b>
Net cash flows during the year (A+B+C)	(26,270.97)	53,061.23
Cash & cash equivalents (opening balance)	92,384.12	39,322.89
<b>Cash &amp; cash equivalents (closing balance)</b>	<b>66,113.15</b>	<b>92,384.12</b>

**NOTES**

The above statement has been prepared under indirect method except in case of dividend which has been considered on this basis of actual movement of cash, with corresponding adjustments in assets and liabilities.

Cash and cash equivalents represent cash and bank balances only.

Additions to fixed assets are stated inclusive of movements of capital work in progress between beginning and end of the year and treated as part of investing activities.

Previous year figures have been re-grouped / recast, wherever necessary.

This is the cash flow statement referred to in our report of even date.

**For Manoj Mohan & Associates**

Chartered Accountants

Sd/-

**(M.K. AGGARWAL)**

Partner

Membership No. - 76980

Place : New Delhi

Dated : 2nd December, 2009

Sd/-

**ARVIND DHAM**

Director

Sd/-

**RAJEEV RAJ KUMAR**

Company Secretary

Sd/-

**D.S. MALIK**

Managing Director

Sd/-

**VINOD UPPAL**

V.P. (Fin.& Acctf.)

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 30TH JUNE 2009**
**Schedule 1 : SHARE CAPITAL (Rs. in Lacs)**

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>AUTHORISED</b>		
25,00,00,000 Equity Shares of Rs.2/- each (Previous year 25,00,00,000 Equity share of Rs.2/- each)	5,000.00	5,000.00
35,00,000 Preference Shares of Rs.100/- each (Previous year 35,00,000 Preference shares of Rs.100/- each)	3,500.00	3,500.00
	<b>8,500.00</b>	<b>8,500.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP.</b>		
14,09,93,143 Equity shares of Rs.2/-each fully paid up (Previous Year 14,09,93,143 Equity shares of Rs.2/- each fully paid up)	2,819.86	2,819.86
<b>TOTAL</b>	<b>2,819.86</b>	<b>2,819.86</b>

**Schedule 1A : WARRANTS AGAINST SHARE CAPITAL (Rs. in Lacs)**

PARTICULARS	As at 30th June 2009	As at 30th June 2008
Application money against 1,50,00,000 Warrant (Each Warrant carry option / entitlement to subscribe to 1 number of Equity share of Rs. 2/- each on premium of Rs. 131/- per Share (Previous year 1,50,00,000 warrants)	4,987.50	6,900.00
	<b>4,987.50</b>	<b>6,900.00</b>

**Schedule 2 : RESERVES & SURPLUS (Rs. in Lacs)**

PARTICULARS	As at 30th June 2009	As at 30th June 2008
Share Premium	152,715.25	152,715.25
Capital Reserve	6,900.00	0.00
Investment Allowance Reserve	54.68	54.68
Capital Subsidy	25.50	25.50
Foreign Currency Convertible Bond Redemption Reserve		
Opening Balance	39,600.00	
Addition During the year	2,475.00	39,600.00
General Reserves	37,754.12	
Opening Balance	11,800.88	37,754.12
Surplus in Profit & Loss Account	136.91	14.90
<b>TOTAL</b>	<b>251,462.34</b>	<b>230,164.45</b>

**Schedule 3 : LOAN FUNDS**

(Rs. in Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>Secured Loans:</b>		
(I) Bank Borrowings	10,263.01	6,133.14
(II) Rupee Term Loans	20,779.27	2,190.15
(III) 11.25% Non-Convertible Debentures	25,000.00	0.00
(IV) 11.50% Non-Convertible Debentures	8,000.00	0.00
(V) 12.00% Non-Convertible Debentures	17,000.00	0.00
(VI) 12.50% Non-Convertible Debentures	7,000.00	0.00
<b>TOTAL</b>	<b>88,042.28</b>	<b>8,323.29</b>
<b>Unsecured Loans:</b>		
i) 0.5% Foreign Currency Convertible Bonds 2010	8,359.73	7,512.75
ii) 0.0% Foreign Currency Convertible Bonds 2011	119,424.75	107,325.00
iii) External Commercial Borrowing	119,424.75	107,325.00
iv) Others	-	2,061.51
<b>TOTAL</b>	<b>247,209.23</b>	<b>224,224.26</b>

**Notes:**

Term debts from Financial Institutions/Banks are secured by way of first mortgage of company's all immovable properties ranking pari passu interse and hypothecation of whole of the company's movable properties including plant & machinery, machinery spares, tools and accessories (save and except book debts) present and future, subject to prior charges created/ to be created in favour of the company's bankers on inventories book debts and other specified movables for securing the borrowing for working capital requirements and loans under EFS/ECS/HP/Lease schemes if any are secured by way of charge on the specified assets financed under the scheme.

The 11.25% Non-Convertible Debentures are redeemable in November 2014, 2015, 2016, 2017, & 2018

The 11.50% Non-Convertible Debentures are redeemable in May 2014, 2015, 2016, 2017, & 2018

The 12.00% Non-Convertible Debentures are redeemable in December 2013

The 12.50% Non-Convertible Debentures are redeemable in December 2013

**Schedule 4 : FIXED ASSETS**

(Rs. In Lacs)

Particulars	GROSS BLOCK				DEPRECIATION			WRITTEN DOWN VALUE		
	Opening Block	Additions	Sales/ Transfers	Closing Block	Opening Dep.	During the Year	Written Back/Adj.	Cumm. Dep.	Current Year	Previous Year
Land & Site Development (Including Leasehold)	4,796.56	285.41	-	5,081.97	-	-	-	-	5,081.97	4,796.56
Building	8,924.12	6,887.65	-	15,811.77	694.53	360.14	-	1,054.67	14,757.10	8,229.59
Plant & Machinery	193,294.37	81,713.54	1,184.02	273,823.89	28,036.09	11,578.40	882.94	38,731.55	235,092.34	165,258.28
Electrical Installation	1,401.97	719.22	-	2,121.19	250.10	105.19	-	355.29	1,765.90	1,151.87
Furniture & Fixture	690.25	196.46	-	886.71	86.55	45.73	-	132.28	754.43	603.70
Office Equipment	1,685.07	231.10	-	1,916.17	481.59	113.53	-	595.12	1,321.05	1,203.48
Vehicle	600.34	93.28	-	693.62	164.41	57.36	-	221.77	471.85	435.93
<b>Total</b>	<b>211,392.68</b>	<b>90,126.66</b>	<b>1,184.02</b>	<b>300,335.32</b>	<b>29,713.27</b>	<b>12,260.35</b>	<b>882.94</b>	<b>41,090.68</b>	<b>259,244.64</b>	<b>181,679.41</b>
Capital Work-in-progress	80,806.03	73,354.66	88,135.74	66,024.95	-	0.00	-	-	66,024.95	80,806.03
<b>Total Gross Block</b>	<b>292,198.71</b>	<b>163,481.32</b>	<b>89,319.76</b>	<b>366,360.27</b>	<b>29,713.27</b>	<b>12,260.35</b>	<b>882.94</b>	<b>41,090.68</b>	<b>325,269.59</b>	<b>262,485.44</b>
<b>Total Gross Block Pre Yr.</b>	<b>203,469.29</b>	<b>140,891.18</b>	<b>52,161.76</b>	<b>292,198.71</b>	<b>27,292.63</b>	<b>9,457.09</b>	<b>7,036.45</b>	<b>29,713.27</b>	<b>262,485.44</b>	<b>-</b>

**Schedule 5 : INVESTMENTS**
**(Rs. in Lacs)**

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>(Quoted - Long Term Trade) at cost</b>		
18,366,665 Equity Shares of Rs.10/- each of Ahmednagar Forgings Ltd. (Previous year 18,366,665 Equity Shares of Rs.10/- each)	8,463.42	8,463.42
Nil Warrants (Previous year 38,00,00 Warrants of Rs.10/- each)	-	912.00
7014 Equity Shares of Rs.10/- each of Dena Bank (Previous year 7014 Equity Shares of Rs. 10/- each)	1.89	1.89
<b>(Unquoted - Long Term Non Trade) at cost</b>		
11,333,610 Equity Shares of Rs.10/- each of Amtek Ring Gears Ltd. (Previous year 11,333,610 Equity Shares of Rs.10/- each)	6,589.96	6,589.96
99,22,400 Equity Shares of Rs. 10.- each of Amtek Crankshafts India Ltd. (Previous year 99,22,400 Equity Shares of Rs.10/- each)	8,731.71	8,731.71
1,05,070 Equity Shares of US \$ 0.01 each of Smith Jones, Inc. (Previous year 1,05,070 Equity Shares of US \$ 0.01 each)	1,209.40	1,209.40
2,20,00,000 Equity Shares of UK £ 1 each of Amtek Investments (UK) Ltd. (Previous year 85,00,000 Equity Shares of 1 UK Pound each)	16,569.23	6,924.73
100 Equity Shares of US \$1/- each of Amtek Investments (US(I) Incorporation (Previous year 100 Equity Shares of @US\$ 1 /- each)	766.28	766.28
45,500 Equity Shares of Rs.10/- each of Alliance Integrated Metallics Ltd. (Previous year 45,500 Equity Shares of Rs. 10/- each)	22.75	22.75
25,000 Equity Shares of Euro 1/- each of Amtek Duetshland Gmbh (Previous year 25000 Equity Shares of Euro 1/- each)	1,883.30	1,883.30
1,31,69,370 Equity Shares of Rs.10/- each of Amtek Tekfor Automotive Ltd. (Previous year 1,31,69,370 Equity Share of Rs. 10/- each)	1,316.94	1,316.94
1,15,00,000 Equity Shares of Rs.10/- each of MPT Amtek Automotive India Ltd. (Previous year 1,14,50,000 Share of Rs. 10/- Share)	1,150.00	1,145.00
24,500 Equity Shares of Rs.10/- each of Vibrant Buildmart (Previous year Nil Shares)	2.45	-
49,994 Equity Shares of Rs.10/- each of Amtek Transportation Systems Ltd. (Previous year Nil Shares)	5.00	-
Investments in Mutual Funds	2,637.27	3,870.89
<b>TOTAL</b>	<b>49,349.60</b>	<b>41,838.27</b>

**Schedule 6 : CURRENT ASSETS, LOANS & ADVANCES**
**(Rs. In Lacs)**

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>a) Current Assets</b>		
<b>i) Interest Receivable</b>	140.08	377.91
<b>ii) Inventory: (As Taken, Valued and Certified by the Management)</b>		
- Raw Material	13,086.38	5,463.87
- Semi Finished Goods	16,969.89	12,478.28
- Finished Goods	468.01	4,713.74
- Consumables Stores	2,769.92	2,048.80
- Other Stocks	137.51	318.04
<b>TOTAL</b>	<b>33,431.71</b>	<b>25,022.73</b>
<b>iii) Sundry Debtors:</b>		
(Unsecured considered good)		
Outstanding for over six month	1756.35	1,343.38
Other Debtors	28,827.13	25,001.03
<b>TOTAL</b>	<b>30,583.48</b>	<b>26,344.41</b>

**Schedule 6 : CURRENT ASSETS, LOANS & ADVANCES (Contd...)**

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>IV) Cash and Bank Balances</b>		
Cash in Hand	28.40	29.14
Balances with Scheduled Banks in Current Accounts, fixed deposits and margin money	66,084.75	92,354.98
<b>TOTAL</b>	<b>66,113.15</b>	<b>92,384.12</b>
<b>b) Loans and Advances</b>		
a) Advances Recoverable in Cash or in kind or for value to be received (considered good)	126,235.12	49,912.32
b) Security Deposits	234.86	251.05
<b>TOTAL</b>	<b>126,469.98</b>	<b>50,163.37</b>

**Schedule 7 : CURRENT LIABILITIES**

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
Sundry Creditors	5,204.96	4,902.67
Unpaid Dividend	16.13	14.01
Other Liabilities	27,846.22	17,956.05
Expenses Payable	687.04	761.22
Interest Accrued but not due	2,257.56	1,938.67
<b>TOTAL ~A~</b>	<b>36,011.91</b>	<b>25,572.62</b>
<b>PROVISIONS</b>		
Proposed Dividend	704.97	704.97
Corporate Dividend Tax	119.81	119.81
<b>TOTAL ~B~</b>	<b>824.78</b>	<b>824.78</b>
<b>GRAND TOTAL (A+B)</b>	<b>36,836.69</b>	<b>26,397.40</b>

**Schedule 8 : MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
1. Deferred Revenue Expenses		
a. Share/GDR Issue Expenses	-	212.27
b. Deferred Expenditure	0.31	0.74
<b>TOTAL</b>	<b>0.31</b>	<b>213.01</b>

**Schedule 9 : MATERIAL & MANUFACTURING EXPENSES**
**(Rs. In Lacs)**

<b>PARTICULARS</b>	<b>For the year ended 30th June 2009</b>	<b>For the year ended 30th June 2008</b>
Material Consumed	65,351.69	84,669.53
Add: Decrease / (Increase) in Stock	(245.88)	(5,113.39)
	<b>65,105.81</b>	<b>79,556.14</b>
Consumables	1,237.30	1,957.19
Power & Fuel	2,277.33	2,616.91
Other manufacturing Expenses	763.02	616.05
Freight Inwards	199.86	241.69
Repairs of Plant & Machinery	456.14	264.54
Technical Know how	68.00	0.00
<b>TOTAL</b>	<b>70,107.46</b>	<b>85,252.52</b>

**Schedule 10 : PERSONNEL EXPENSES**
**(Rs. In Lacs)**

<b>PARTICULARS</b>	<b>For the year ended 30th June 2009</b>	<b>For the year ended 30th June 2008</b>
Salaries and Wages	4,759.05	5,016.70
Contribution to P.F., ESI, Gratuity, Leave Encashment, VRS, staff welfare etc.	1,365.13	954.74
<b>TOTAL</b>	<b>6,124.18</b>	<b>5,971.44</b>

**Schedule 11 : ADMINISTRATIVE, SELLING AND OTHER EXPENSES**
**(Rs. in Lacs)**

<b>PARTICULARS</b>	<b>For the year Ended 30th June 2009</b>	<b>For the year Ended 30th June 2008</b>
Advertisement & Publicity	20.60	4.96
Auditor's Remuneration	18.00	15.00
Books & Periodicals	3.24	6.22
Charity & Donation	6.13	6.52
Director's Remuneration & Perquisites	12.82	35.10
Business promotion & Development Expenses	206.16	168.75
Insurance	55.23	104.45
ISO/QS Expenses	8.64	6.57
Legal & Professional	189.61	238.45
Office and Factory Expenses	158.11	113.17
Printing & Stationery	78.41	69.32
Rate, Fee & Taxes	103.35	644.59
Rent	278.30	164.19
Repairs & Maintenance others	99.31	87.91
Running & Maintenance Vehicle	150.07	144.02
Watch & Ward	102.38	81.37
Subscription & Membership Fees	11.62	22.26
Telephone, Telex & Postage Expenses	147.07	152.23
Travelling & Conveyance	414.04	416.13
Loss on Sale of Investments	1,047.48	
<b>SELLING &amp; DISTRIBUTION EXP:</b>		
Cash Discount	100.61	130.27
Freight Outwards	619.41	627.56
<b>EXPENSES WRITTEN OFF:</b>		
Share / GDR Issue Expenses	212.27	212.27
Deferred Expenditure	0.43	0.43
<b>TOTAL</b>	<b>4,043.29</b>	<b>3,451.74</b>

**SCHEDULE: 12 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS  
(ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2009)**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF ACCOUNTING**

These accounts are prepared on the historical cost basis and on the accounting principles of a going concern. Accounting policies, not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles in India ( Indian GAAP) and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) as referred in sec. 211 (2c) of the Companies Act, 1956.

**B. REVENUE RECOGNITION**

Sales are recognized at the time of dispatch of goods and are exclusive of excise duty and Central sales Tax/ VAT. All expenses and income are accounted on accrual basis.

**C. FIXED ASSETS**

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets includes their original cost of acquisition net of cenvat / VAT including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets.

**D. DEPRECIATION**

Depreciation on fixed assets is provided on "Straight Line Method"(SLM) in the manner and at the rates as specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions / deductions to Fixed Assets is provided on pro-rata basis from the date of actual installation or upto the date of such sale / disposal, as the case may be.

**E. INVENTORIES**

Raw Materials, Stores & Spares, Goods under process and Finished Goods are valued at cost or Net Realizable, Value whichever is lower. Waste and Scrap is valued at Net Realizable Value.

Cost of inventories of Raw Materials and Stores and Spares is ascertained on FIFO Basis.

Cost of goods under process and finished goods comprises of cost of materials, production overhead and depreciation on plant and machinery. Cost of material for this purpose is ascertained on First In first Out basis.

Provision for obsolescence in inventories is made, whenever required.

**F. INVESTMENT**

Current investments are valued at lower of cost or fair market value.

**G. FOREIGN CURRENCY TRANSACTIONS**

- a) The working capital loans are revalued at exchange rates prevailing at the year end. Exchange differences arising on such revaluation are duly recognized in the Profit & Loss Account.
- b) In case of forward exchange contracts to repay working capital loans, the difference between the forward rate and the exchange rate at the date of transaction is recognized as income or expenses over the life of the contract.
- c) Debtors and working capital loans in foreign currency are revalued at the year end exchange rates. Exchange differences arising on such revaluation are recognized in Profit & Loss Account.
- d) Exchange differences arising on revaluation of foreign currency loans relating to acquisition of fixed assets from outside India are adjusted against relevant fixed assets.

**H. EXCISE DUTY**

Excise duty is paid on clearance of goods, but is accounted for in the books on accrual basis. Accordingly, provision for excise duty is made for goods lying in the Bonded Warehouse.



**I. EMPLOYEES' RETIREMENT BENEFITS**

- a) The liability for Gratuity & Leave Encashment is accounted for on the basis of actuarial valuation in accordance with the Accounting Standard 15 (Revised) issued by the Institute of Chartered Accountants of India.
- b) Retirement benefits in the form of Provident Fund are charged to the Profit and Loss Account for the year when the contribution to the respective funds are due.

**J. RESEARCH AND DEVELOPMENT**

Capital Expenditure is shown separately under respective heads of fixed assets. Revenue expenses including depreciation are included under the respective heads of expenses.

**K. BORROWING COST**

Interest on borrowings are recognized in the Profit and Loss account except interest incurred on borrowings, specifically raised for Projects which is capitalized with the cost of the asset until such time the asset is ready to be put to use for intended purpose.

**L. TAXATION**

- A) Provision for Taxation is made on the basis of the taxable profits computed for the current accounting period (reporting period) in accordance with Income Tax Act, 1961.
- B) Deferred Tax is recognized, subject to consideration of prudence, on timing difference, being difference between taxable income and accounting income / expenditure that originate in one period and are capable of reversal in one or subsequent year(s) . Deferred taxes are reviewed for their carrying value at each balance sheet date.

**M. IMPAIRMENT OF ASSETS**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

**II. NOTES ON ACCOUNTS**

1. Schedule 1 to 12 form an integral part of the Balance Sheet and Profit & Loss Account.

**2. Contingent Liabilities :**

	<b>Current Year</b>	<b>(Rs. in Lacs) Previous Year</b>
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	2,925.28	1,628.79
b) Guarantees issued by the bank on behalf of the company	240.63	489.39
c) Unexpired Letters of Credit	71.70	85.91
d) Disputed Liabilities:		
– Sales Tax	10.62	10.62
– Labour	–	4.38
– Cenvat	19.42	–

\*Contingent Assets are neither recognized, nor disclosed

**3. Earning Per share:**

<b>Calculation of EPS (Basic and Diluted)</b>	<b>Year Ended 30th June, 2009</b>	<b>Year Ended 30th June, 2008</b>
<b>Basic</b>		
Opening Number of Shares	14,09,93,143	13,07,90,368
Total Shares outstanding	14,09,93,143	14,09,93,143
Profit after Tax, before extraordinary item (Rs. Lacs)	15,222.67	24,693.28
Profit after Tax, after extraordinary item (Rs. Lacs)	15,222.67	26,125.06
EPS before extraordinary items (Rs. Per Share)	10.80	18.10
EPS after extraordinary items (Rs. Per Share)	10.80	19.15
<b>Diluted</b>		
Stock option outstanding	Nil	Nil
EPS before extraordinary items (Rs. Per Share)	9.00	13.76
EPS after extraordinary items (Rs. Per Share)	9.00	14.55
Reconciliation of basic and diluted shares used in computing EPS		
Number of shares considered as basic weighted average shares outstanding	14,09,93,143	13,64,09,764
Add: Effect of dilutive FCCB conversion and warrants	2,80,85,611	4,30,85,611
Number of shares considered for calculating of diluted earning per share	16,90,78,754	17,94,95,375

4. In the opinion of the Board of Directors, all current assets, loans and advances, if realized in the ordinary course of business, would be realized at least equal to the amounts at which they have been stated in the Balance Sheet. Provision for the known liabilities have been made in the books of accounts.
5. Travelling expenses, Telephone expenses., Business Promotion and Running & Maintenance of vehicle expenses includes Rs.90.95 lacs, Rs 4.93 lacs, Rs.85.26 lacs, & Rs.9.29 lacs (Previous Year Rs.80.21 lacs, Rs 5.25 lacs, Rs.79.49 lacs, and Rs.10.28 lacs). respectively incurred by directors.
6. Maximum amount outstanding at any time during the year due from/due to directors is Rs.Nil. (Previous year Rs.Nil).
7. Other liabilities under current liabilities include deferred income tax and short term loans .
8. Confirmation of Balances in some of the Debtors Account as at 30th June 2009 are yet to be received as at the date of Audit report.
9. (a) Sundry Creditors include a Sum of Rs 13.47 Lacs (Previous Year Rs 28.25) due to Small Scale Industries.  
(b) The List of SMEs units to whom company owes a sum exceeding Rs.1,00,000 and which is outstanding for more than 30 days is as under:-  
Gaugeman Industries, Dharam Packing Industries, Bhagwati Packers & Tirupati Engg Works etc  
(c) The Payments to SMEs Undertakings have been made as per stipulated terms.  
(d) The above information has been compiled in respect of parties to the extent to which they could be identified as SMEs on the basis of information available with the company.

**10. The balances with Schedule Banks include:**

	<b>Current Year</b>	<b>(Rs. In Lacs) Previous Year</b>
Fixed Deposits which stand pledged against letter of credit for purchase of raw material & bank guarantee issued on behalf of the company.	466.44	433.12

**11. Miscellaneous income include:**

a) Interest Including TDS of Rs 48.76 Lacs (Previous Year Rs 30.80 Lacs)	4,754.31	2171.66
b) Dividend Income	359.51	695.56
c) Other Income (Exchange fluctuation, job work, rent, other sales And misc. income)	8926.80	4,342.29
d) Profit on sales of quoted long term trade investment	—	6,186.09
e) Profit on sale of fixed assets	241.56	830.67
<b>TOTAL</b>	<b>14,282.18</b>	<b>14,226.27</b>

**12. Auditors Remuneration** 18.00 15.00

**13. Market Value of the Quoted investments as on 30.06.2009:**

Ahmednagar Forgings Limited Rs.50.15 per share (Aggregate value of Rs.9,210.88 lacs)  
Dena Bank Rs 55.70 per share (Aggregate value of Rs.3.91 lacs)

**14. Unsecured loans include public deposits & Foreign Currency Convertible Bonds (FCCB).**

**15. The company has issued the following Foreign Currency Convertible Bonds:**

<b>Date of Issue</b>	<b>Amount Raised</b>	<b>Maturity Date</b>	<b>Conversion Price per share</b>	<b>Coupon</b>	<b>Y.T.M. in the event of redemption</b>
June, 2005	\$150,000,000	June, 2010	209.83	0.5%	5.75%
June, 2006	\$250,000,000	June, 2011	458.64	0.0%	6.00%

The Company has provided / charged interest only at Coupon rate i.e 0.5%.

**16.** During the year, the company, in view of non receipt of balance amount, has forfeited a sum of Rs.6900.00 lacs received by it in earlier years against allotment of 1,50,00,000 warrants (carrying option /entitlement to subscribe to one no. of equity share of Rs. 2/- each at a premium of Rs.458/-per share) to parties and companies covered in the register maintained under section 301 of the companies Act,1956.

**17.** The company, during the year, has received application money of Rs 4987.50 lacs against issue of 1,50,00,000 warrants (carrying option/ entitlement to subscribe to one no of equity share of Rs.2/- each at a premium of Rs.131/- per share on or before 23th October 2010) to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. The subject warrants were issued & allotted on 8th July 2009.

**18. RETIREMENT BENEFITS**

The Company has various Schemes of retirement benefits schemes such as Provident Fund, Gratuity and Earned Leaves.

**Post Employment Benefit Plans:**

Effective from financial year 2007-08, the company implemented accounting Standard (AS)-15 (Revised -2005) dealing with Employees Benefits, issued by the Institute of Chartered Accountants of India. AS-15 (Revised-2005) deals with recognition, measurement and disclosure of short term, post employment, termination and other long term employee benefits provided by the company.

Payments to defined contribution retirement benefit schemes is charged as an expense as they fall due.

The cost of providing defined benefits is determined using Projected Unit Credit Method and accordingly, actuarial valuation has been carried out at the Balance Sheet date. Actuarial gain & losses are recognised in full in the profit & loss account for the period in which they occur. Past service cost is recognised to the extent the benefits are already vested, and otherwise is amortised on a Straight line Method over the average period until the benefits become vested.

The retirement benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligations as adjusted for unrecognised past service cost, and as reduced by the fair value of available refunds and reductions in future contributions to the scheme.

**a) Defined Benefit plan:**

**Gratuity Plan & Leave Encashment Plan**

The company, in accordance with AS-15 (Revised) has made the provision for Gratuity and Leave Encashment on projected unit cost method.

**Disclosure in respect of "Employees Benefit plans"**

**i. Change in Present Value of obligations:**

			(Rs. in Lacs)	
	Particulars	Gratuity Plan Unfunded	Leave Encashment Plan Unfunded	
<b>A</b>	Present Value of Obligation as on 01.07.2008	281.71	196.88	
<b>B</b>	Present Service Cost	29.69	42.10	
<b>C</b>	Interest Cost	22.54	15.75	
<b>D</b>	Actuarial (Gain) / Loss	34.58	31.11	
<b>E</b>	Benefits Paid	(97.21)	(56.85)	
<b>F</b>	Present Value of Obligations as on 30th June, 2009 ( A+B+C+D+E)	271.31	228.99	

**ii. Change in Fair Value of Plan Assets:**

			(Rs. in Lacs)	
	Particulars	Gratuity Plan Unfunded	Leave Encashment Plan Unfunded	
<b>A</b>	Fair Value of plan assets as on 01.07.2008	-	-	
<b>B</b>	Expected Return on plan assets	-	-	
<b>C</b>	Employer's Contributions	-	-	
<b>D</b>	Benefits Paid	-	-	
<b>E</b>	Actuarial Gain	-	-	
<b>F</b>	Fair Value of Plan assets as on 30th June, 2009 ( A+B+C+D+E)	-	-	

**iii. Actuarial Gain/ (Loss) Recognised**

			(Rs. In Lacs)	
	Particulars	Gratuity Plan Unfunded	Leave Encashment Plan Unfunded	
<b>A</b>	Actuarial (Gain) / Loss for the year - Obligation	(34.58)	(31.11)	
<b>B</b>	Actuarial (Gain) / Loss for the year – Plan Assets	-	-	
<b>C</b>	Total (Gain) / Loss for the year	34.58	31.11	
<b>D</b>	Actuarial (Gain) / Loss recognised in the year	34.58	31.11	
<b>E</b>	Unrecognised Actuarial (Gains)/ Losses at the end of the year	-	-	

**iv. Expenses Recognised in the Statement of Profit & Loss****(Rs. In Lacs)**

<b>Particulars</b>	<b>Gratuity Plan Unfunded</b>	<b>Leave Encashment Plan Unfunded</b>
<b>A</b> Current Service Cost	29.69	42.10
<b>B</b> Interest Cost	22.54	15.75
<b>C</b> Expected Return on plan assets	–	–
<b>D</b> Net Actuarial (Gain)/ Loss recognized in the year	34.59	31.11
<b>E</b> Expenses recognised in the Statement of Profit & Loss as on 30th June, 2009 ( A+B+C+D)	86.82	88.96

**v. Amount Recognised in Balance Sheet****(Rs. In Lacs)**

<b>Particulars</b>	<b>Gratuity Plan Unfunded</b>	<b>Leave Encashment Plan Unfunded</b>
<b>A</b> Present Value of Obligation as at the end of the year i.e. 30.06.2009	271.31	228.99
<b>B</b> Fair Value of Plan Assets as at the end of the year i.e. 30.06.2009	–	–
<b>C</b> Funded Status	(271.31)	(228.99)
<b>D</b> Unrecognised Actuarial (Gain) / Losses	–	–
<b>E</b> Net Assets/ (Liability) Recognised in the Balance Sheet	(271.31)	(228.99)

**vi. Principle Actual Assumptions**

<b>Particulars</b>	<b>Gratuity Plan Unfunded</b>	<b>Leave Encashment Plan Unfunded</b>
<b>A</b> Discount Rate	8.00%	8.00%
<b>B</b> Salary Escalation Rate	5.50%	5.50%
<b>C</b> Expected Rate of return on plan assets	0.00%	0.00%
<b>D</b> Expected Average Remaining Working Lives of Employees	23.01	23.01

**19. Related party Disclosures & transactions:**

As per Accounting Standard AS - 18 issued by the Institute of Chartered Accountants of India, related parties in terms of the said standard are disclosed below :-

**A. Names of related parties and description of relationship"**

- |                 |                                     |
|-----------------|-------------------------------------|
| 1) Subsidiaries | 1) Ahmednagar Forgings Ltd.         |
|                 | 2) Amtek Crankshafts India Ltd.     |
|                 | 3) Amtek Ring Gears Ltd.            |
|                 | 4) Smith Jones Inc. USA             |
|                 | 5) Amtek Investment (UK) Ltd.       |
|                 | 6) Amtek Investment US (I) Inc.     |
|                 | 7) Amtek Deutschland Gmbh           |
|                 | 8) Amtek Transportation System Ltd. |

2) Joint Ventures	1) Amtek Tekfor Automotive Ltd.
	2) MPT Amtek Automotive (India) Ltd.
3) Key Management Personnel	1) Shri Arvind Dham
	2) Shri D. S. Malik
4) Relative of Key Management Personnel	1) Mrs. Anita Dham wife of Shri Arvind Dham

**B. Transactions** (Rs. in Lacs)

Particulars	Subsidiaries /Associates	Key Management Personnel	Relative of Key Management Personnel	Total
Purchases of Goods	1,704.75 (5,005.43)	– (–)	– (–)	1,704.75 (5,005.43)
Sales of Goods	11,098.75 (35,594.06)	– (–)	– (–)	11,098.75 (35,594.06)
Loan Given	53,700.94 (1,621.10)	– (–)	– (–)	53,700.94 (1,621.10)
Purchase of Fixed Assets	34.69 (3,740.29)	– (–)	– (–)	34.69 (3,740.29)
Sale of Fixed Assets	– (13.95)	– (–)	– (–)	– (13.95)
Services Received	6.86 (–)	– (–)	– (–)	6.86 (–)
Services Rendered	8.40 (45.09)	– (–)	– (–)	8.40 (45.09)
Net Dividend Received/ (Paid)	319.67 (455.05)	– (–)	– (–)	319.67 (455.05)
Directors Remuneration	– (–)	12.82 (35.10)	– (–)	12.82 (35.10)
Payable at the year end	1,000.49 (4,362.63)	– (–)	– (–)	1,000.49 (4,362.63)
Receivable at the year end	68,501.76 (17,004.08)	– (–)	– (–)	68,501.76 (17,004.08)

**20 A. INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C & 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

**(a) PARTICULARS IN RESPECT OF UNITS MANUFACTURED**

Class of Goods	Unit	Installed Capacity		Production	
		Current Year	Previous Year	Current Year	Previous Year
1. Machined Auto Components	Nos. (in lacs)	305.00	300.00	131.81	158.77
2. Forgings	T.P.A.	1,35,000.00	1,35,000.00	47,244.58	61,857.56
3. Aluminium Castings	T.P.A.	30,000.00	20,000.00	2,062.00	2,482.00

**(b) PARTICULARS IN RESPECT OF MATERIAL CONSUMED**

Class of Goods	Unit	Current Year	Previous Year
1. Forgings/Castings	Nos. (in lacs)	141.14	162.09
2. Steel/Aluminium	T.P.A.	55,329.83	70,716.00

**(c) PARTICULARS IN RESPECT OF SALES**
**(Rs. in lacs)**

Class of Goods	Unit	Current Year		Previous Year	
		Qty.	Value	Qty.	Value
1. Machined Auto Components	Nos. (In Lacs)	135.85	61,867.65	153.96	71,855.26
2. Forgings	Tons	51,256.00	37,780.80	57,718.00	48,966.74
3. Aluminium Castings	Tons	2,062.00	5,597.20	2,482.00	7,417.00
<b>Total</b>			<b>1,05,245.65</b>		<b>1,28,239.00</b>

**(d) PARTICULARS IN RESPECT OF FINISHED GOODS**
**(Rs. in Lacs)**

Class of Goods	Unit	Opening Balance				Closing Balance			
		Current Yr.		Previous Yr.		Current Yr.		Previous Yr.	
		Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
1. Machined Auto Components	Nos. (In Lacs)	5.03	1,696.52	0.22	72.17	0.99	366.81	5.03	1,696.52
2. Forgings	Tons	4,172.42	3,017.22	32.86	21.78	161.00	101.20	4,172.42	3,017.22
3. Castings	Tons	-	-	-	-	-	-	-	-
<b>Total</b>			<b>4,713.14</b>		<b>93.95</b>		<b>468.01</b>		<b>4,713.74</b>

**(e) PARTICULARS IN RESPECT OF SEMI FINISHED GOODS**
**(Rs. in Lacs)**

Class of Goods	Unit	Opening Balance				Closing Balance			
		Current Yr.		Previous Yr.		Current Yr.		Previous Yr.	
		Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
1. Machined Auto Components	Nos. (In Lacs)	17.91	6,044.91	18.19	5,628.34	24.52	9,116.77	17.91	6,044.91
2. Forgings	Tons	8,847.59	6,398.28	8,966.26	6,356.34	12,581.22	7,823.52	8,847.59	6,398.28
3. Casting	Tons	14.12	35.09	-	-	12.56	29.60	14.12	35.09
<b>Total</b>			<b>12,478.28</b>		<b>11,984.68</b>		<b>16,969.89</b>		<b>12,478.28</b>

	<b>Current Year</b>	<b>(Rs. in Lacs) Previous Year</b>
<b>B.</b> CIF value of Imports Raw Material, Components Spares Parts & Capital Goods	4,390.81	3,863.78
<b>C. Expenditure In Foreign Currency</b>		
i) Travelling	105.18	148.98
ii) Interest / Legal & other Expenses	3096.89	150.89
<b>D. Earning in Foreign Currency</b>		
i) Export Income	16 423	44 147
ii) Interest Income	1398	1966
<b>21.</b> The Company has entered into hedge derivative transactions for cost reduction and risk diversification strategy to manage its loan portfolio. The Company is accounting for profit and/or loss in such transactions on actual receipt / payment basis.		
<b>22.</b> Export sales include sale in transit to its overseas customers/subsidiary acknowledged in subsequent year, indirect export and deemed export.		
<b>23.</b> Details of unit manufactured, material consumed and sales include components bought and sold.		
<b>24.</b> Previous year's figures have been regrouped and rearranged wherever necessary.		



**II. BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:**

**I. Registration Details:**

Registration No. 

H	-	3	0	3	3	3
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 Balance Sheet date 

30	06	2009
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 Status Code 

0	5
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**II. Capital Raised during the year (Rs. in Lacs)**  
**Public Issue/GDR/FCCB Conversion**

Nil
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**Right Issue**

Nil
-----

**Application Money against Warrants**

4,987.50
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**Private Placement/Promoters/  
Financial Institutions**

Nil
-----

**Premium**

Nil
-----

**CRPS**

Nil
-----

**III. Position of Mobilisation and Deployment of Funds: (Rs. in Lacs)**  
**Total Liabilities**

5,94,521.21
-------------

**Total Assets**

5,94,521.21
-------------

**Sources of Funds :**

**Paid-up Capital**

2819.86
---------

**Reserves & Surplus**

2,51,462.34
-------------

**Application Money against Warrants**

4,987.50
----------

**Secured Loans**

88,042.28
-----------

**Unsecured Loans**

2,47,209.23
-------------

**Application of Funds :**

**Net Fixed Assets**

3,25,269.59
-------------

**Investments**

49,349.60
-----------

**Net Current Assets**

2,19,901.71
-------------

**Misc. Expenditure**

0.31
------

**IV. Performance of Company (Rs. in Lacs)**

**Turnover**

1,19,527.83
-------------

**Total Expenditure**

98,750.08
-----------

**Profit before Tax**

20,777.75
-----------

**Profit after Tax**

15,222.67
-----------

**Earning per share (Basic)**

10.80
-------

**Dividend Rate %**

25
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**V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**  
**Code**

8409
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CONNECTING RODS ASSLY / PISTON ASSLY.
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8483
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CASE COMPONENT ASSEMBLIES
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7326
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FORGING
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In terms of our report of even date attached  
**For MANOJ MOHAN & ASSOCIATES**  
 Chartered Accountants

Sd/-  
**(M.K. AGGARWAL)**  
 Partner  
 Membership No. - 76980

Place : New Delhi  
 Date : 2nd December, 2009

Sd/-  
**ARVIND DHAM**  
 Director  
 Sd/-  
**VINOD UPPAL**  
 V.P (Fin. & Acctt.)

**For and on behalf of the Board**

Sd/-  
**D.S. MALIK**  
 Managing Director  
 Sd/-  
**RAJEEV RAJ KUMAR**  
 Company Secretary

CONSOLIDATED FINANCIAL STATEMENT  
of  
AMTEK AUTO LIMITED  
and  
ITS SUBSIDIARIES

**AMTEK AUTO LIMITED & SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENT**

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANIES**

1.	Name of Subsidiary:	a) Smith Jones Inc. USA b) Ahmednagar Forgings Ltd. ,Pune c) Amtek Investments (UK)Ltd. d) Amtek Investments US(1)Inc. e) Amtek Deutschland GmbH. Germany f) Amtek Crankshafts (India) Ltd. Gurgaon g) Amtek Ring Gears Ltd. Gurgaon h) Amtek Transportation Systems Ltd.
2.	Date from which it Became subsidiary	a) 23rd December 2002 b) 31st January 2003 c) 24th June 2004 d) 7th January 2005 e) 4th July 2005 f) 10th June 2006 g) 10th June 2006 h) 7th April 2009
3.	Financial year of the Subsidiary ended on	a) 30th June 2009 b) 30th June 2009 c) 31st December 2008 d) 30th June 2009 e) 31st December 2008 f) 30th June 2009 g) 30th June 2009 h) 30th June 2009
4.	Shares of the subsidiary Held by Amtek Auto Ltd. On the above date	a) 1,05,070 shares @ \$0.01 each fully paid-up. b) 1,83,66,665 shares @ Rs.10/-each fully paid-up. c) 22,00,00,000 shares @ £ 1/-each fully paid-up. d) 100 shares @ \$1/-each fully paid-up. e) 25,000 shares @ Euro 1/-each fully paid-up. f) 99,22,400 shares @ Rs.10/-each fully paid-up. g) 1,13,33,610 shares @ Rs.10/-each fully paid-up. h) 49,994 shares of @ Rs.10/- each fully paid-up.
4A.	Extent of holding	a) 100% b) 52.60% c) 100% d) 100% e) 100% f) 100% g) 96.63% h) 100%
5.	Net aggregate Profit/loss For the current year Year	a) Rs. (451.95) lacs b) Rs. 3,591.74 lacs c) Rs. (3,087.89) lacs d) Rs. Nil e) Rs. (222.93) lacs f) Rs. 3,125.38 lacs g) Rs.1,692.44 lacs h) Rs. Nil

**AMTEK AUTO LIMITED & SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENT**

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6.	Net aggregate profit or Losses for the previous Financial years since Becoming subsidiary so Far as it concerns the Members of the holding Company dealt with or Provided for the Accounts of the holding company	a)	Nil
		b)	Nil
		c)	Nil
		d)	Nil
		e)	Nil
		f)	Nil
		g)	Nil
		h)	Nil
7.	Net aggregate amount Received as dividends For previous financial years since becoming subsidiary dealt with in the accounts of the holding company in the financial year.	a)	Nil
		b)	Nil
		c)	Nil
		d)	Nil
		e)	Nil
		f)	Nil
		g)	Nil
		h)	Nil

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**For and on behalf of the Board**

In terms of our report of even date annexed

**For Manoj Mohan & Associates**

Chartered Accountants

Sd/-

**(M.K. AGGARWAL)**

Partner

Membership No. - 76980

Place : New Delhi

Dated : 2nd December, 2009

Sd/-

**ARVIND DHAM**

Director

Sd/-

**RAJEEV RAJ KUMAR**

Company Secretary

Sd/-

**D.S. MALIK**

Managing Director

Sd/-

**VINOD UPPAL**

V.P (Fin.& Acctt.)

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AMTEK AUTO LIMITED & SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENT

**Financial Summary Relating to Subsidiaries Companies As at 30th June 2009**

S. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	(Rs.in lacs)	
													Proposed Dividend	
1	Ahmednagar Forgings Ltd.	INR	Na	3,492.00	42,327.16	75,193.55	75,193.55	92.35	51,755.67	5,317.98	1,726.24	3,591.74	10%	
2	Amttek Ring Gears Ltd.	INR	NA	1,172.87	14,796.63	24,245.39	24,245.39	1,070.72	23,463.73	2,623.10	930.66	1,692.44	12%	
3	Amttek Crankshafis India Ltd.	INR	NA	992.25	22,006.32	30,800.62	30,800.62	748.26	31,279.04	4,778.44	1,653.06	3,125.38	Nil	
4	Amttek Investments UK Ltd.	GBP	79.2371	16,657.79	15,171.91	80,382.45	80,382.45	-	78,487.39	(3,928.31)	(840.42)	(3,087.89)	Nil	
5	Smith Jones Inc.	US\$	47.7699	0.50	8,730.87	11,354.39	11,354.39	-	7,022.88	(451.95)	-	(451.95)	Nil	
6	Amttek Investments US(I) Inc.	US\$	47.7699	0.04	-	0.04	0.04	-	-	-	-	-	Nil	
7	Amttek Duetschland GmbH	Euro	57.5180	13.00	6,626.35	22,778.04	22,778.04	329.81	47,993.33	(826.06)	(603.13)	(222.93)	Nil	
8.	Amttek Transportation Systems Ltd.	INR	NA	5.00	-	2,125.87	2,125.87	-	-	-	-	-	Nil	

Note: The Balance Sheet, Profit and Loss Account, Director's Reports and Auditors of the subsidiaries are not being attached in view of exemption granted by Ministry of Corporate Affairs Govt. of India, New Delhi vide its Approval letter No.47/570/2009-CL-III Dated 03.07.2009. The said Annual Accounts of the subsidiaries companies and the related detailed information will be made available to the holding & subsidiary company's investors seeking such information at any point of time (during the business hours). The annual accounts of the subsidiary companies will also be kept for inspection by any investor at the corporate office of the company/subsidiary company.

In terms of our report of even date annexed  
**For Manoj Mohan & Associates**  
Chartered Accountants

Sd/-  
**(M.K. AGGARWAL)**  
Partner  
Membership No. - 76980

Sd/-  
**ARVIND DHAM**  
Director

Place : New Delhi  
Dated : 2nd December 2009

Sd/-  
**RAJEEV RAJ KUMAR**  
Company Secretary

Sd/-  
**D.S. MALIK**  
Managing Director

Sd/-  
**VINOD UPPAL**  
V.P (Fin. & Acctt.)

**For and on behalf of the Board**

**AUDITORS' REPORT**

TO

The Board of Directors,  
**AMTEK AUTO LTD.,**

We have audited the attached Consolidated Balance Sheet of Amtek Auto Ltd. & its subsidiaries and Joint venture as on 30th June 2009, the Consolidated Profit & Loss Account and also consolidated Cash-Flow Statement for the year ended 30th June 2009.

These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the Consolidated financial statements of Consolidated of Smith Jones Inc. & Amtek Investments US(I)Inc. USA, Amtek Investment (UK) Limited, Amtek Deutschland GmbH, Germany, Amtek Crankshafts (India) Limited, Amtek Ring Gears Limited, Amtek Transportation systems Ltd, Amtek Tekfor Automotive Limited & MPT Amtek Automotive (India) Limited subsidiaries/joint venture of Amtek Auto Ltd., whose financial statements reflect the gross block of Rs.16,574.14 lacs, Rs.89,574.14 lacs, Rs.31,593.02 lacs, Rs.22,416.46 lacs, Rs.20,168.43 lacs, Rs.2125.87 lacs, Rs.2,116.98 lacs & Rs.829.40 lacs respectively as at 30th June 2009 and total revenue of Rs.7,022.68 lacs, Rs.78,487.39 lacs, Rs.47,993.33 lacs, Rs.31,279.04 lacs, Rs.23,463.73 lacs, Rs. Nil, Rs.1,829.92 lacs & Rs.313.08 lacs respectively for the period then ended and also reflected the goodwill in Amtek Investment (UK) Limited, Amtek Deutschland GmbH, Germany, Amtek Crankshafts (India) Limited, Amtek Ring Gears Limited of Rs.30,109.94 lacs, Rs.6,927.09 lacs, Rs.473.89 lacs & Rs.1,931.02 lacs respectively. The financial statements of Smith Jones Inc & Amtek Investments US (I) Inc.; Amtek Investments (UK) Limited; Amtek Deutschland GmbH; Amtek Crankshafts (India) Limited; Amtek Ring Gears Limited; Amtek Transportation systems Ltd., Amtek Tekfor Automotive Limited and MPT Amtek Automotive (India) Limited have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries and joint venture, is based solely on the report of the other Auditors.

We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, on consolidated Financial Statements and Accounting Standard (AS) 27 on Consolidation of Financial Statements of Joint Ventures, issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of Amtek Auto Ltd. and its subsidiaries in the consolidated financial statements.

In Our Opinion and on the basis of information and explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India

- a) In the case of the consolidated Balance Sheet, of the state of affairs of Amtek Auto Ltd. and its subsidiaries as at 30th June 2009; and
- b) In the case of the consolidated Profit & Loss Account, of the *profit* for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **Manoj Mohan & Associates**  
Chartered Accountants

Sd/-  
**(M.K. Aggarwal)**

Place : New Delhi.  
Dated : 2nd December 2009

Partner  
Membership No. - 76980

AMTEK AUTO LIMITED & SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 2009

(Rs. In Lacs)

PARTICULARS	SCHEDULE	As at 30th June 2009	As at 30th June 2008
<b>I. SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	2,819.86	2,819.86
(b) Application money against Warrants	1A	4,987.50	6,900.00
(c) Reserves & Surplus	2	317,056.95	292,406.69
<b>2. MINORITY INTEREST</b>		22,256.46	21,945.91
<b>3. LOAN FUNDS</b>	3		
(a) Secured		141,377.70	64,431.49
(b) Unsecured		248,432.08	225,486.59
<b>TOTAL</b>		<b>736,930.55</b>	<b>613,990.54</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. GOODWILL</b>		39,441.94	14,461.82
<b>2. FIXED ASSETS</b>	4		
Gross Block		623,352.73	510,276.73
Less : Accumulated Depreciation		132,552.02	106,766.55
<b>Net Block</b>		<b>490,800.71</b>	<b>403,510.18</b>
<b>3. INVESTMENTS</b>	5	4,905.50	6,152.27
<b>4. CURRENT ASSETS, LOANS &amp; ADVANCES</b>	6		
<b>(a) Current Assets</b>			
i) Interest Receivables		169.84	467.17
ii) Inventories		75,542.27	72,084.07
iii) Sundry Debtors		52,198.95	82,284.47
iv) Cash & Banks Balances		79,814.98	103,727.08
<b>(b) Loans &amp; Advances</b>		101,563.65	44,332.55
<b>Total Current Assets And Loans &amp; Advances</b>		<b>309,289.69</b>	<b>302,895.34</b>
<b>Less: Current Liabilities &amp; Provisions</b>	7		
Current Liabilities		106,429.59	112,176.97
Provisions		1,078.32	1,078.32
<b>Total Current Liabilities &amp; Provisions</b>		<b>107,507.91</b>	<b>113,255.29</b>
<b>Net Current Assets</b>		<b>201,781.78</b>	<b>189,640.05</b>
<b>5. MISCELLANEOUS EXPENDITURE</b>	8	0.62	226.22
(To the extent not written off or adjusted)			
<b>TOTAL</b>		<b>736,930.55</b>	<b>613,990.54</b>
Notes to the Accounts & Significant Accounting Policies	12		
The accompanying schedules 1 to 12 form an integral part of the accounts.			

For and on behalf of the Board

In terms of our report of even date attached

**For Manoj Mohan & Associates**

Chartered Accountants

Sd/-

**(M.K. AGGARWAL)**

Partner

Membership No. - 76980

Sd/-

**ARVIND DHAM**

Director

Sd/-

**D.S. MALIK**

Managing Director

Sd/-

**RAJEEV RAJ KUMAR**

Company Secretary

Sd/-

**VINOD UPPAL**

V.P (Fin. & Acctt.)

Place : New Delhi

Dated : 2nd December, 2009

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2009**

(Rs. In Lacs)

PARTICULARS	SCHEDULE	For the Year ended 30th June 2009	For the Year ended 30th June 2008
<b>INCOME</b>			
Sales & Other Income		<b>343,862.42</b>	<b>465,679.10</b>
<b>EXPENDITURE</b>			
Material & Manufacturing Expenses	9	207,017.29	296,587.68
Personnel Expenses	10	36,954.50	47,697.74
Administrative, Selling & Other Expenses	11	29,845.08	25,399.27
Financial Expenses		15,230.45	11,566.10
<b>TOTAL</b>		<b>289,047.32</b>	<b>381,250.79</b>
<b>Profit before Depreciation</b>		<b>54,815.10</b>	<b>84,428.31</b>
Depreciation		27,284.60	21,045.85
<b>Profit Before Tax</b>		<b>27,530.50</b>	<b>63,382.46</b>
Tax Expense for the year		<b>8,494.60</b>	<b>16,906.62</b>
<b>Profit after Tax</b>		<b>19,035.90</b>	<b>46,475.84</b>
Less: Minority Interest		1,759.52	3,733.80
<b>Profit after Tax &amp; Minority Interest</b>		<b>17,276.38</b>	<b>42,742.04</b>
Add: Accumulated Profit		46,211.96	42,342.38
<b>Balance available for Appropriation</b>		<b>63,488.34</b>	<b>85,084.42</b>
<b>APPROPRIATIONS</b>			
Trfd. to General Reserves		11,800.88	3,000.00
Transfer to Foreign Currency Convertible Bond Redemption Reserve		2,475.00	34,700.00
Proposed Dividend on Equity Capital		875.24	875.24
Dividend & Tax for Previous year (not appropriated in the previous year)		-	94.14
Corporate Dividend Tax		203.08	203.08
<b>Surplus carried to Balance Sheet</b>		<b>48,134.14</b>	<b>46,211.96</b>
Earning Per Share (Before considering exceptional/Extra ordinary items-net of tax)	- Basic (Rs.)	13.50	28.26
	- Diluted (Rs.)	11.26	21.48
Earning Per Share (After considering exceptional/Extra ordinary items-net of tax)	- Basic (Rs.)	13.50	31.33
	- Diluted (Rs.)	11.26	23.81
Notes to the Accounts & Significant Accounting Policies	12		
The accompanying schedules 1 to 12 form an integral part of the accounts.			

**For and on behalf of the Board**

In terms of our report of even date attached

**For Manoj Mohan & Associates**

Chartered Accountants

Sd/-

**(M.K. AGGARWAL)**

Partner

Membership No. - 76980

Place : New Delhi

Dated : 2nd December, 2009

Sd/-

**ARVIND DHAM**

Director

Sd/-

**RAJEEV RAJ KUMAR**

Company Secretary

Sd/-

**D.S. MALIK**

Managing Director

Sd/-

**VINOD UPPAL**

V.P (Fin.& Acctf.)

AMTEK AUTO LIMITED & SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENT

**CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009**

(Rs. In Lacs)

PARTICULARS	For the year ended 30th June 2009	For the year ended 30th June 2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit as per Profit & Loss Account	27,530.50	63,382.46
Add: Depreciation	27,284.60	21,045.85
Add : Financial Charges	15,230.45	11,566.10
Loss/(Gain) on sale of fixed assets, net	67.97	(822.40)
Loss/(Gain) on sale of Investments, net	1,328.98	(9,380.24)
Interest Received & Other Income	(17,236.57)	(4361.58)
Less Reversal Due to Transitional Liability as per AS-15 (Revised)	-	(53.48)
Deferred/Intangible Asset & Preliminary exp. written off	609.59	683.81
	<b>54,815.52</b>	<b>82,060.52</b>
(Increase)/Decrease in Inventories	(3,458.20)	(19,822.22)
(Increase)/Decrease in Other Receivables	297.33	(403.10)
(Increase)/Decrease in Sundry debtors	30,085.52	(32,976.48)
(Increase)/Decrease in Loans & advances	(57,231.10)	(15,009.03)
Increase/(Decrease) in Current Liabilities	(14,560.87)	36,418.64
<b>Cash Generation by operations</b>	<b>9,948.20</b>	<b>50,268.33</b>
Interest Received & Other income	17,236.57	4,361.58
<b>Net cash from operating activities</b>	<b>27,184.77</b>	<b>54,629.91</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to fixed assets (including capital work in progress)	(115,873.92)	(146,554.22)
Proceeds from sale of fixed assets	1,230.82	2,856.89
Sales/Purchase of investments, net	(82.21)	8,240.71
Increase in Deferred/intangible asset/Goodwill & Misc. Expenditure	(25,364.11)	(680.19)
<b>Net Cash from Investing Activities</b>	<b>(140,089.42)</b>	<b>(136,136.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital/GDR/Redemption of Preference Shares/Share Application Money (Net)	-	38,929.90
Proceeds from Application money against warrant	4,987.50	6,900.00
Proceeds from new borrowings	103,824.10	123,099.03
Repayment of borrowings (Including Fluctuation)	(3,932.40)	(12,530.79)
Increase/(Decrease) in Reserves through Acquisition/Minority Interest	103.23	(2,014.10)
Financial Charges Paid	(14,911.56)	(9,719.88)
Payment of Dividend & Tax thereon	(1,078.32)	(5,143.04)
<b>Net Cash from financing activities</b>	<b>88,992.55</b>	<b>139,521.12</b>
Net cash flows during the year (A+B+C)	(23,912.10)	58,014.22
Cash & cash equivalents (opening balance)	103,727.08	45,712.86
<b>Cash &amp; cash equivalents (closing balance)</b>	<b>79,814.98</b>	<b>103,727.08</b>

**NOTES TO CASH FLOW STATEMENT**

The above statement has been prepared under indirect method except in case of dividend which has been considered on this basis of actual movement of cash, with corresponding adjustments in assets and liabilities.

Cash and cash equivalents represent cash and bank balances only.

Additions to fixed assets are stated inclusive of movements of capital work in progress between beginning and end of the year and treated as part of investing activities.

Previous year figures have been re-grouped / recast, wherever necessary.

This is the cash flow statement referred to in our report of even date.

**For Manoj Mohan & Associates**

Chartered Accountants

Sd/-

**(M.K. AGGARWAL)**

Partner

Membership No. - 76980

Sd/-

**ARVIND DHAM**

Director

Sd/-

**D.S. MALIK**

Managing Director

Sd/-

**RAJEEV RAJ KUMAR**

Company Secretary

Sd/-

**VINOD UPPAL**

V.P (Fin.& Acctt.)

Place : New Delhi

Dated : 2nd December, 2009

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30.06.2009**

**Schedule 1 : SHARE CAPITAL**

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>AUTHORISED</b>		
25,00,00,000 Equity Shares of Rs.2/- each (Previous year 25,00,00,000 Equity shares of Rs.2/- each)	5,000.00	5,000.00
35,00,000 Preference Shares of Rs.100/- each (Previous year 35,00,000 Preference shares of Rs.100/- each)	3,500.00	3,500.00
	<b>8,500.00</b>	<b>8,500.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP.</b>		
14,09,93,143 Equity shares of Rs.2/-each fully paid up (Previous year 14,09,93,143 Equity shares of Rs.2/- each fully paid up)	2,819.86	2,819.86
<b>TOTAL</b>	<b>2,819.86</b>	<b>2,819.86</b>

**Schedule 1A : APPLICATION MONEY AGAINST WARRANTS**

(Rs. in Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
Application money against 1,50,00,000 Warrant (Each Warrant carry option / entitlement to subscribe to 1 number of Equity share of Rs. 2/- each on on premium of Rs. 131 per share (Previous year 1,50,00,000 Warrants)	4,987.50	6,900.00
	<b>4,987.50</b>	<b>6,900.00</b>

**Schedule 2: RESERVES & SURPLUS**

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
Share Premium	152,715.25	152,715.25
Capital Reserve	6,900.00	-
Investment Allowance Reserve	54.68	54.68
Capital Subsidy	25.50	25.50
Capital Reserves through Acquisition	17,597.38	16,045.18
Foreign Currency Convertible Bond Redemption Reserve		
Opening Balance	39,600.00	
Add: During the year	2,475.00	
Closing Balance	42,075.00	39,600.00
<b>General Reserve</b>		
Opening Balance	37,754.12	
Addition during the year	11,800.88	
Closing Balance	49,555.00	37,754.12
Profit B/F from Profit & Loss Account	48,134.14	46,211.96
<b>TOTAL</b>	<b>317,056.95</b>	<b>292,406.69</b>

**AMTEK AUTO LIMITED & SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENT**

**Schedule 3 : LOAN FUNDS**

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>Secured Loans:</b>		
(I) Bank Borrowings	38,034.50	34,251.38
(II) Loans from Banks / Financial Institutions	46,343.20	30,180.11
(III) Non-Convertible Debentures	57,000.00	–
<b>TOTAL</b>	<b>141,377.70</b>	<b>64,431.49</b>
<b>Unsecured Loans:</b>		
i) 0.5% Foreign Currency Convertible Bonds 2010	8,359.73	7,512.75
ii) 0.0% Foreign Currency Convertible Bonds 2011	119,424.75	107,325.00
iii) External Commercial Borrowings	119,424.75	107,325.00
iv) Others	1,222.85	3,323.84
<b>TOTAL</b>	<b>248,432.08</b>	<b>225,486.59</b>

**Notes:**

Term debts from Financial Institutions/Banks are secured by way of first mortgage of company's all immovable properties ranking pari passu interse and hypothecation of whole of the company's movable properties including plant & machinery, machinery spares, tools and accessories (save & except book debts) present and future, subject to prior charges created / to be created in favour of the company's bankers on inventories book debts and other specified movables for securing the borrowing for working capital requirements and loans under EFS/ECS/HP/Lease schemes if any are secured by way of charge on the specified assets financed under the scheme.

**Schedule 4 : FIXED ASSETS**

(Rs. In Lacs)

Particulars	GROSS BLOCK				DEPRECIATION			WRITTEN DOWN VALUE		
	As on 01.07.2008	Additions Dur. the Yr.	Sales/ Transfers	Total as on 30.06.2009	As on 01.07.2008	During the Year	Written Back/Adj.	Total as on 30.06.2009	WDV as on 30.06.2009	WDV as on 30.06.2008
Land & Site Development (Including Leasehold)	5,981.50	392.26	–	6,373.76	–	–	–	–	6,373.76	5,981.50
Building	17,245.90	7,426.32	9.88	24,662.34	3,257.07	627.88	–	3,884.95	20,777.39	13,988.83
Plant & Machinery	368,474.01	96,788.04	2,742.96	462,519.09	100,777.96	26,135.71	1,499.09	125,414.58	337,104.51	267,696.05
Electrical Installation	1,531.46	790.82	–	2,322.28	253.91	115.21	–	369.12	1,953.16	1,277.55
Furniture & Fixture	2,237.01	269.42	40.20	2,466.23	1,286.81	163.15	–	1,449.96	1,016.27	950.20
Office Equipment	2,244.02	325.69	0.20	2,569.51	847.14	148.75	0.04	995.85	1,573.66	1,396.88
Data Processing Unit	191.01	23.93	0.19	214.75	108.65	24.64	–	133.29	81.46	82.36
Vehicle	745.82	105.10	4.49	846.43	235.01	69.26	–	304.27	542.16	510.81
<b>Total</b>	<b>398,650.73</b>	<b>106,121.58</b>	<b>2,797.92</b>	<b>501,974.39</b>	<b>106,766.55</b>	<b>27,284.60</b>	<b>1,499.13</b>	<b>132,552.02</b>	<b>369,422.37</b>	<b>291,884.18</b>
Capital Work-in-progress	111,626.00	111,251.25	101,498.91	121,378.34	–	–	–	–	121,378.34	111,626.00
<b>Total Gross Block Curr Yr.</b>	<b>510,276.73</b>	<b>217,372.83</b>	<b>104,296.83</b>	<b>623,352.73</b>	<b>106,766.55</b>	<b>27,284.60</b>	<b>1,499.13</b>	<b>132,552.02</b>	<b>490,800.71</b>	<b>403,510.18</b>
<b>Total Gross Block Pre Yr.</b>	<b>377,399.85</b>	<b>194,069.20</b>	<b>61,192.32</b>	<b>510,276.73</b>	<b>94,063.03</b>	<b>21,045.85</b>	<b>8,342.33</b>	<b>106,766.55</b>	<b>403,510.18</b>	

**AMTEK AUTO LIMITED & SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENT**

**Schedule 5 : INVESTMENTS**

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>(Quoted - Long Term Trade) at cost</b>		
1,00,000 Equity Shares of Rs.10/- each of Grapco Mining & Co.Ltd. (Previous year 1,00,000 Equity Shares of Rs.10/- each)	13.00	13.00
1,03,100 Equity Shares of Rs.10/- each of Global Infrastructure & Technologies Ltd. (Previous year 1,03,100 Equity Shares of Rs.10/- each)	54.86	54.86
3,500 Equity Shares of Rs.2/- each of Sanghvi Movers Ltd. (Previous year 3,500 Equity Shares of Rs.10/- each)	0.60	0.60
5,000 Equity Shares of Rs.10/- each of Good Value Marketing Ltd. (Previous year 5,000 Equity Shares of Rs.10/- each)	2.00	2.00
29,810 Equity Shares of Rs.10/- each of Dena Bank. (Previous year 29,810 Equity Shares of Rs.10/-each )	8.04	8.04
<b>(Unquoted - Long Term Non Trade) at cost</b>		
50,000 Equity Shares of Rs.10/- each of Photon Biotech Ltd. (Previous year 50,000 Equity Shares of Rs.10/- each)	12.00	12.00
10,000 Equity Shares of Rs.10/- each of SICOM Ltd. (Previous year 10,000 Equity Shares of Rs.10/- each)	8.00	8.00
1 Equity Share of Pound 1/- of KTH (Previous year 1 Equity share of Pound 1)	-	-
60,500 Equity Shares of Rs.50/- each of Alliance Integrated Metallics Ltd. (Previous year 60,500 Equity Shares of Rs.50/-each)	30.25	30.25
23,16,500 Equity Shares of Rs. 10/- each WHF Precision Forging Ltd. (Previous year 23,16,500 Equity Shares of Rs.10/-each)	231.66	231.66
24,500 Equity Shares of Rs.10/- each of Vibrant Buildmart (Previous year Nil Shares)	2.45	-
Life Insurance for funding of pensions	329.81	581.45
Investments in Mutual Funds	4,212.83	5,210.41
	<b>4,905.50</b>	<b>6,152.27</b>

**Schedule 6 : CURRENT ASSETS, LOANS & ADVANCES**

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>a) Current Assets</b>		
<b>i) Interest Receivable</b>	169.84	467.17
<b>ii) Inventory: (As taken, valued and certified by the Management)</b>		
- Raw Material	28,769.24	21,162.05
- Semi Finished Goods	39,485.08	33,059.61
- Finished Goods	2,812.95	14,211.49
- Consumables Stores	4,117.54	3,262.92
- Other Stocks	357.46	388.00
<b>TOTAL</b>	<b>75,542.27</b>	<b>72,084.07</b>

AMTEK AUTO LIMITED & SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENT

Schedule 6 : CURRENT ASSETS, LOANS & ADVANCES (Contd...)

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>III) Sundry Debtors:</b>		
(Unsecured considered good)		
Outstanding for over six months	7,361.34	5,974.81
Other Debts	44,837.61	76,309.66
<b>TOTAL</b>	<b>52,198.95</b>	<b>82,284.47</b>
<b>IV) Cash and Bank Balances</b>		
Cash in Hand	403.19	92.81
Balances with Scheduled banks in current accounts, fixed deposits and margin money	79,411.79	103,634.27
<b>TOTAL</b>	<b>79,814.98</b>	<b>103,727.08</b>
<b>b) Loans and Advances</b>		
a) Advances Recoverable in Cash or in kind or for value to be received (considered good)	101,119.79	43,875.11
b) Security Deposits	443.86	457.44
<b>TOTAL</b>	<b>101,563.65</b>	<b>44,332.55</b>

Schedule 7 : CURRENT LIABILITIES & PROVISIONS

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
<b>CURRENT LIABILITIES:</b>		
Sundry Creditors	48,838.67	56,254.73
Unpaid Dividend	27.84	22.07
Interest accrued but not due	2,257.56	1,938.67
Other Liabilities (Net)	52,146.12	51,463.84
Expenses Payable	3,159.40	2,497.66
<b>TOTAL A</b>	<b>106,429.59</b>	<b>112,176.97</b>
<b>PROVISIONS</b>		
Proposed Equity Dividend	875.24	875.24
Corporate Dividend Tax	203.08	203.08
<b>TOTAL B</b>	<b>1,078.32</b>	<b>1,078.32</b>
<b>GRAND TOTAL (A+B)</b>	<b>107,507.91</b>	<b>113,255.29</b>

**AMTEK AUTO LIMITED & SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENT**

**Schedule 8 : MISCELLANEOUS EXPENDITURE**  
**(To the extent not written off or adjusted)**

(Rs. In Lacs)

PARTICULARS	As at 30th June 2009	As at 30th June 2008
1 Deferred Revenue Expenses		
a. Share/ GDR Issue Exp	–	212.27
c. Deferred Expenditure	0.62	13.95
<b>TOTAL</b>	<b>0.62</b>	<b>226.22</b>

**Schedule 9 : MATERIAL & MANUFACTURING EXPENSES**

(Rs. In Lacs)

PARTICULARS	For the Year ended 30th June 2009	For the Year ended 30th June 2008
Material Consumed	186,198.99	282,439.80
Add: Decrease / (Increase) in Stock	4,296.28	(9,366.12)
	<b>190,495.27</b>	<b>273,073.68</b>
Consumables	5,164.41	6,109.53
Power & Fuel	7,869.61	9,036.17
Other manufacturing Expenses	1,200.96	3,930.75
Freight Inwards	774.18	2,835.62
Repairs of Plant & Machinery	1,512.86	1,601.93
<b>TOTAL</b>	<b>207,017.29</b>	<b>296,587.68</b>

**Schedule 10 : PERSONNEL EXPENSES**

(Rs. In Lacs)

PARTICULARS	For the Year ended 30th June 2009	For the Year ended 30th June 2008
Salary and Wages	32,292.16	42,972.41
Contribution to P.F., E.S.I, Gratuity, Leave Encashment, VRS, Staff Welfare etc.	4,662.34	4,725.33
<b>TOTAL</b>	<b>36,954.50</b>	<b>47,697.74</b>

**Schedule 11 : ADMINISTRATIVE, SELLING AND OTHER EXPENSES**

(Rs. In Lacs)

PARTICULARS	For the Year ended 30th June 2009	For the Year ended 30th June 2008
Advertisement & Publicity	23.23	6.91
Auditors' Remuneration	153.89	148.39
Books & Periodicals	4.78	8.29
Charity & Donation	6.20	7.73
Directors' Remuneration & Perquisites	164.43	131.31
Business Promotion & Development Expenses	320.12	352.65
Insurance	1,672.66	1,381.89

AMTEK AUTO LIMITED & SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENT

Schedule 11 : ADMINISTRATIVE, SELLING AND OTHER EXPENSES (Contd...)

(Rs. In Lacs)

PARTICULARS	For the Year ended 30th June 2009	For the Year ended 30th June 2008
ISO Expenses	230.95	16.25
Legal & Professional	1,463.71	1,224.86
Loss on Sale of Assets	339.55	13.67
Office and Factory Expenses	4,181.63	3,927.33
Printing & Stationery	967.43	255.17
Rate, Fee & Taxes	1,024.97	1,704.56
Rent	3,672.29	3,185.28
Repairs & Maintenance - others	8,605.90	7,750.24
Running & Maintenance - Vehicles	855.27	812.98
Security Expenses	255.00	269.37
Subscription & Membership Fees	15.68	26.23
Telephone, Telex & Postage Expenses	737.39	487.59
Travelling & Conveyance	1,221.50	1,344.83
Loss on sale of Investments	1,334.89	-
Provision for Doubtful debts	35.68	4.94
<b>SELLING &amp; DISTRIBUTION EXP</b>		
Cash Discount	465.89	341.76
Freight Outwards	1,482.45	1,273.09
Packing & Forwarding	-	40.14
<b>EXPENSES WRITTEN OFF</b>		
Share/ GDR Issue Expenses	212.27	212.27
Deferred Expenditure	1.54	51.44
Goodwill	395.78	420.10
<b>TOTAL</b>	<b>29,845.08</b>	<b>25,399.27</b>

**AMTEK AUTO LIMITED & SUBSIDIARIES/ JOINT VENTURES**

**SCHEDULE: 12 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS  
(ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2009)**

**1. ACCOUNTING POLICIES –**

**A. Principles of Consolidation :**

- i. The consolidated Financial Statement relates to Amtek Auto Ltd (the Parent Company ), Ahmednagar Forgings Ltd, Amtek Crank shaft (India) Ltd & Amtek Ring gear Ltd ,Amtek Transportation systems Ltd. (subsidiary companies incorporated in India) , Smith Jones Inc. (wholly owned foreign subsidiary company incorporated in USA) , Amtek Investments UK Limited (wholly owned foreign subsidiary company incorporated in UK), Amtek Investments US (I), Inc. (wholly owned foreign subsidiary company incorporated in U.S.A), & Amtek Deutschland GmbH (wholly owned foreign subsidiary company incorporated in Germany), Amtek tekfor Automotive Limited (50:50 Joint Venture incorporated in India) and MPT Amtek Automotive (India) Limited (50:50 Joint Venture incorporated in India)
- ii. The Consolidated Financial statements have been prepared on the basis of AS-21 issued by ICAI read along with the following assumptions :
  - (a) The Financial Statement of the parent company and its subsidiary/ Joint Venture companies have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions, resulting in unrealized profit or losses.
  - (b) Investment of the parent company in the subsidiaries/ Joint Ventures are eliminated against respective stake of the parent company.
  - (c) In respect of foreign subsidiary, the financials have been converted from US GAAP/UK GAAP/German GAAP to Indian GAAP. Current Assets and Liabilities of overseas subsidiary have been translated in reporting currency, at the exchange rate prevailing at the close of the year.
  - (d) All transactions in foreign currency transaction are recorded by applying the exchange rate prevailing at the time of transaction. Gain or loss upon settlement of the transaction during the year is recognized in Profit and Loss Account.
  - (e) Impact of exchange fluctuation, whether revenue or capital in nature appearing in the accounts of the foreign subsidiary are directly charged to revenue in consolidated financial statement.

**B. Notes to the Consolidated Financial Statements**

The notes to the consolidated financial statement intended to serve as a means of informative disclosure and guide to better understanding of the financial information about the economic activities and the economic resources controlled as single economic entity. Recognizing this purpose the company has disclosed only such notes from the individual financial statement, which fairly presents the needed disclosures. Practical consideration and lack of uniformity on account of local laws and practices made it desirable to exclude notes to account and accounting policies which in the opinion of the management could be better viewed when referred to individual financial statements Consolidated financial statement have been prepared using uniform accounting policies for like transaction and other events in similar circumstance except in case of depreciation on fixed assets and other items for which the accounting treatment is given on the basis of local laws applicable in the respective countries for which using uniform accounting policies for the purpose of consolidation is impracticable.

**AMTEK AUTO LIMITED & SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENT**

**2. NOTES TO ACCOUNT -**

Schedule 1 to 12 form an integral part of the Balance Sheet and Profit and Loss Account.

**A. Contingent Liabilities:**

	<b>Current Year</b>	(Rs.in Lacs) <b>Previous year</b>
a) Capital commitment & contingency	3,939.57	6,199.40
b) Guarantees issued by the Bank on behalf of the company	252.13	489.39
c) Unexpired Letters of Credit /EEPC/Bond Obligation	174.32	254.37
d) Disputed Liability	164.91	84.24
e) Future Lease rental payments	1,347.70	2189.81

**B. Earning per share:**

<b>Calculation of EPS (Basic and Diluted)</b>	<b>Year Ended 30th June, 2009</b>	<b>Year Ended 30th June, 2008</b>
<b>Basic</b>		
Opening Number of Shares	14,09,93,143	13,07,90,368
Total Shares outstanding	14,09,93,143	14,09,93,143
Profit after Tax, before extraordinary item (Rs. Lacs)	19,035.90	38,547.00
Profit after Tax, after extraordinary item (Rs. Lacs)	19,035.90	42,742.04
EPS before extraordinary items (Rs. Per Share)	13.50	28.26
EPS after extraordinary items (Rs. Per Share)	13.50	31.33
<b>Diluted</b>		
Stock option outstanding		
EPS before extraordinary items (Rs. Per Share)	11.26	21.48
EPS after extraordinary items (Rs. Per Share)	11.26	23.81
Reconciliation of basic and diluted shares used in computing EPS		
Number of shares considered as basic weighted average shares outstanding	14,09,93,143	13,64,09,764
Add: Effect of dilutive FCCB conversion and warrants	2,80,85,611	4,30,85,611
Number of shares considered for calculating diluted earning per share	16,90,78,754	17,94,95,375

**C. Related party Disclosure**

In accordance with the requirements of Accounting Standard (AS-18) the names of the related parties where control exists and /or with whom transactions have taken place during the year and description of relationships as identified and certified by the management are as hereunder:

**(i) Subsidiaries companies / Associates**

Ahmednagar Forgings limited (Kuruli, Pune)  
 Amtek Crankshafts (India) Ltd (Manesar, Gurgaon)  
 Amtek Ring Gears Ltd. (Gurgaon)  
 Smith Jones Inc. (IOWA, USA)  
 Amtek Investments UK Limited (Letchworth, UK)  
 Amtek Investments US (I) Inc. (Michigan, U.S.A)  
 Amtek Deutschland GmbH (Hennef, Germany)  
 Amtek Tekfor Automotive Ltd (Joint Venture)  
 MPT Amtek Automotive (India) Ltd. (Joint Venture)  
 Amtek Transportation Systems Ltd. (Gurgaon)

**(ii) Key Management Personnel**

Sh. Arvind Dham  
Sh. D. S. Malik

**D. Interest in Joint Ventures Companies**

Pursuant to Accounting Standard 27 on Financial Reporting of interest in Joint Ventures, the relevant information relating to the Joint Venture Companies, are as under:

**D. Interest in Joint Venture Companies**

Pursuant to Accounting Standard 27 on Financial Reporting of Interests in Joint Ventures, the relevant information relating to the Joint Venture Companies are as under:

Name of the Joint Venture Company	Country of Incorporation	Proportion of Ownership Interest	Description of Interest
Amtek Tekfor Automotive Ltd.	India	50%	JV is established principally for manufacture, assemble and to sell automotive components
MPT Amtek Automotive Ltd.	India	50%	

The company's share in the aggregate amount to each of the assets, liabilities, income, expenses, capital commitment and contingent liabilities as at 30th June, 2009 are as under:

Proportion of company's Interest in Join Venture	Amtek Tekfor Automotive Ltd.	M.P.T. Amtek Automotive (India) Ltd.
Assets	2,756.98 Lacs	1,297.09 Lacs
Liability	2,756.98 Lacs	1,297.09 Lacs
Income	1,829.92 Lacs	313.08 Lacs
Expenses	2,043.02 Lacs	540.76 Lacs
Capital Commitments	Nil	Nil
Contingent Liabilities	Nil	Nil

**E.** Export sales include sale in transit to its overseas customers/subsidiary acknowledged in subsequent year, indirect export and deemed export.

**F.** Grouping have been rearranged in terms of presentation of those of subsidiary companies wherever necessary.

**For and on behalf of the Board**

In terms of our report of even date attached

**For Manoj Mohan & Associates**

Chartered Accountants

Sd/-  
**(M.K. AGGARWAL)**  
Partner  
Membership No. - 76980

Sd/-  
**ARVIND DHAM**  
Director

Sd/-  
**D.S. MALIK**  
Managing Director

Place : New Delhi  
Dated : 2nd December, 2009

Sd/-  
**RAJEEV RAJ KUMAR**  
Company Secretary

Sd/-  
**VINOD UPPAL**  
V.P (Fin.& Acctt.)



NOMINATION FORM - 2B  
(Only for shares held in physical form)  
(To be filled in by individual(s) applying singly or jointly)

To,  <b>Beetal Financial &amp; Computer Services Pvt. Ltd.</b> Beetel House, 3rd Floor, 99, Madangir, Behind L.S.C., New Delhi-110062	From <b>Name of member and address</b> _____ _____ Folio No. _____ No. of shares _____
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**I am/we are holder(s) of equity shares of the Company as mentioned above. I/We nominate the following person in whom all rights of transfer and/or amount payable in respect of said equity shares shall vest in the event of my/our death.**

Nominee's name								Age			
To be furnished in case the nominee is a minor				Date of Birth							
Guardian's Name & Address*											
Occupation of Nominee Tick (✓)	1	Service		2	Business		3	Student		4	Household
	5	Professional		6	Farmer		7	Others			
Nominee's Address											
		Pin Code									
Telephone No.						Fax No.					
Email Address								STD Code			
Specimen signature of Nominee signature of Nominee/Guardian (in case nominee is minor)											

**Kindly take the aforesaid details on record.**

\*To be filled in case nominee is a minor

Thanking you,

Yours faithfully,

Date.....

Name and address of member(s) {as appearing on the Certificate(s)}		Signature (as per specimen with company)
Sole/1st holder		
Address		
2nd holder		
3rd holder		
4th holder		
Witnesses (two)		
Name and Address		Signature & Date
1.		
2.		

**INSTRUCTIONS:**

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by only individual members. This facility is not available to members who are non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family and holders of power of attorney. If the shares are held jointly, all joint holders must sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of shares and in that event the name and address of the Guardian should be given by the holder.
4. The nominee cannot be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of shares in favour of a nominee shall be a valid discharge by the Company against the legal heir(s).
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled in, else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
9. This nomination will stand rescinded whenever the shares in the given folio are entirely transferred or dematerialised.
10. Upon receipt of a duly executed nomination form, the Share Transfer Agent of the Company will register the form and allot a registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The Company will not entertain any claim other than that of a registered nominee, unless so directed by any competent court.
13. The intimation regarding nomination / nomination form should be filed **in duplicate** with the Share Transfer Agent of the Company who will return one copy thereof to the Members.
14. For shares held in dematerialised form, nomination is required to be filed with the Depository Participant in their prescribed form.

FOR OFFICE USE ONLY	
Nomination Registration Number	
Date of Registration	
Checked by (Name and Signature)	

To,  
 Beetal Financial & Computer Services Pvt. Ltd.  
 Beetal House, 3rd Floor, 99, Madangir, Behind L.S.C., New Delhi-110062

Dear Sirs,

FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY. Please  wherever is applicable.

**For shares held in physical form**

Master Folio No.

For office use only
ECS Ref. No. <input type="text"/>

**For shares held in electronic form**

DP. ID

Client ID

<b>Name of First holder</b>	<input type="text"/>
<b>Bank name</b>	<input type="text"/>
<b>Branch name</b>	<input type="text"/>
<b>Branch code</b>	<input type="text"/>

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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**(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number.**

<b>Account type</b>	→	<b>Savings</b> <input type="text"/>	<b>Current</b> <input type="text"/>	<b>Cash Credit</b> <input type="text"/>
<b>A/c. No. (as appearing in the cheque book)</b>	→	<input type="text"/>		
<b>Effective date of this mandate</b>	→	<input type="text"/>		

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Beetal Financial & Computer Services Pvt. Ltd., will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Amtek Auto Limited.

I further undertake to inform the Company any change in my Bank/branch and account number.

\_\_\_\_\_  
**(Signature of First holder)**

Dated: \_\_\_\_\_

Note: On dematerialisation of existing physical shares, for which you have availed ECS facility, the above form needs to be re-submitted.





**ATTENDANCE SLIP**

**AMTEK AUTO LIMITED**

**Regd. Office:** Plot No. 16, Industrial Estate, Rozka-Meo, Sohna, Distt. Gurgaon (Haryana)

PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional attendance slip on request at the venue.

DP. ID#	
Client ID#	

Master Folio No.	
No. of Share(s) held	

# Applicable for members holding shares in dematerialised form.

NAME AND ADDRESS OF THE MEMBER: \_\_\_\_\_  
\_\_\_\_\_

I hereby record presence at the 23rd Annual General Meeting held at Plot No. 16, Industrial Estate, Rozka-Meo (Sohna) Distt. Gurgaon (Haryana) on 31st December, 2009.

SIGNATURE OF THE MEMBER\* OR PROXY\*

\*Strike out whichever is not applicable.



**PROXY FORM**

**AMTEK AUTO LIMITED**

**Regd. Office:** Plot No. 16, Industrial Estate, Rozka-Meo, Sohna, Distt. Gurgaon (Haryana)

DP. ID#	
Client ID#	

Master Folio No.	
No. of Share(s) held	

# Applicable for members holding shares in dematerialised form.

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member/members of Amtek Auto Limited hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 23rd Annual General Meeting to be held at Plot No. 16, Industrial Estate, Rozka-Meo (Sohna) Distt. Gurgaon (Haryana) on 31st December, 2009

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Re. 1/-  
Revenue  
Stamp

Note: This form, duly completed and signed, should be deposited at the Registered Office of the Company not later than 48 hours before the time of the meeting.

**BOOK-POST**

*If undelivered please return to :*  
**AMTEK AUTO LIMITED**  
Bhanot Apartments, 4, Local Shopping Centre,  
Pushp Vihar, New Delhi-110 062 (INDIA)

ablegraphics@gmail.com