



Tenth Annual Report 2005-2006



What a Year....

Autoline - Dimnensions World-class Design Engineering facility



AUTOLINE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri Vilas Lande - Chairman
Shri Shivaji Akhade - Managing Director
Shri Sudhir Mungase - Director
Shri M. Radhakrishnan - Director
Shri Gopal Patwardhan - Director

BANKERS

Bank Of Baroda
 SSI, Pimpri, Pune.
 Vasantdada Shetkari Sahakari Bank Ltd.
 Laxmi Road Branch, Pune.
 Kotak Mahindra Bank Ltd, Pune

AUDITORS

M/s. Gujar Rawat Sheth & Associates
 Chartered Accountants
 Pune

REGISTERED OFFICE

**T - 135, MIDC,
 Bhosari, Pune 411026**

<u>UNIT I</u>	<u>UNIT II</u>	<u>UNIT III</u>	<u>UNIT IV</u>
S. No. 825, Kudalwadi, Taluka Haveli, Post Chikhali, Pune 412114	S. No. 291 to 296, Nanekarwadi, Chakan, Pune 412501	T - 135, MIDC, Bhosari, Pune 411026	F - II, 24/25, MIDC, Pimpri, Pune 411018

AUTOLINE INDUSTRIES LIMITED

DIRECTOR'S REPORT

TO,
THE MEMBERS,
AUTOLINE INDUSTRIES LIMITED

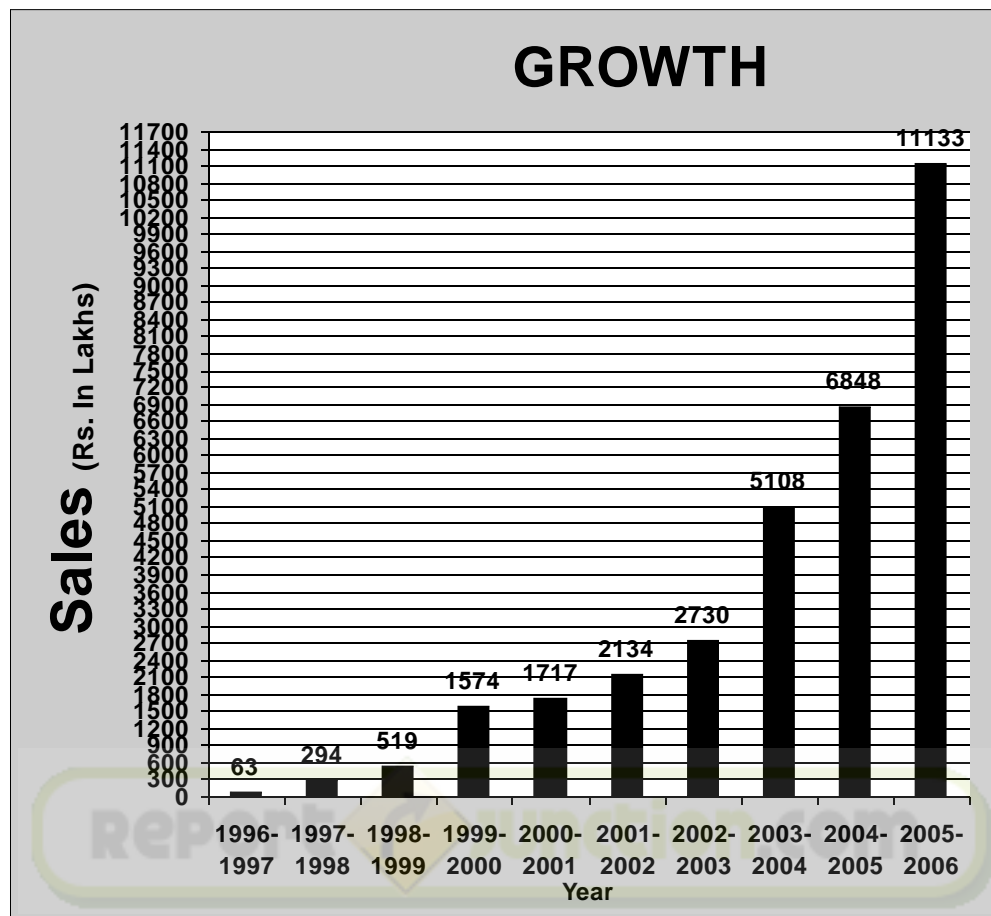
Your Directors have pleasure in placing before you the Tenth Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2006.

1.PERFORMANCE

The financial highlights of the Company for the year ended 31st March 2006 in brief are as under :

	2004-2005 (Rs. In Lakhs)	2005-2006 (Rs. In Lakhs)
Sales	6848	11133
Other Income	11	10
	6859	11143
Expenses other than Interest and Depreciation	6351	9986
Profit before Interest and Depreciation	508	1157
Interest	162	176
Depreciation	147	211
Provision for tax	16	69
Net Profit for the year	182	701
Paidup Share Capital	601	695

During the current year the name of the Company has been changed to **AUTOLINE INDUSTRIES LIMITED** from **AUTOLINE STAMPINGS PRIVATE LIMITED** with effect from 13.01.2006 consequent upon your company being converted into Public Limited from Private Limited. The various committees as required by a Public Limited Company are being constituted and will be completed in due course after the appointment of Independent Directors.



2. DIVIDEND :

Your Company has paid Interim Dividend of 10% in the month of January 2006. The Board of Directors has recommended a final dividend of 8%.

3. OPERATIONS :

During the last 10 years, the sales of your Company have shown steady growth. During the year 2000-01, your company had achieved sales of Rs. 1717 Lakhs, which were 9 % more than sales of 1999-00. In the year 2001-02, your company had achieved sales of Rs. 2134 Lakhs, an increase of 24% as compared with previous year. For the year 2002-03, your Company had again shown growth by 28% when sales of Rs. 2730 Lakhs was achieved. In the year 2003-04, your Company has made sales of Rs. 5108 Lakhs thereby registering growth of 87% over previous year. In the year 2004-05, your Company has made sales of Rs. 6848 Lakhs, thereby registering growth of 34% over previous year. In the year ended 2005-06 your Company has registered a further hefty growth of 63% over previous year by achieving sales of Rs. 11133 Lakhs and thus entering the League of Rs. 100 Crore plus companies.

The Company is consistent in making profits. In the year 2000-01 and 2001-02 your Company had earned Net Profit of Rs. 5.07 Lakhs and Rs. 44.27 Lakhs respectively. During the year 2002-03 the Net Profit was Rs. 57.04 Lakhs. During the year 2003-04 your Company made Net Profit of Rs. 59.34 Lakhs. During the year 2004-05 the Company had made a Net Profit of Rs. 198.03 Lakhs, which has further improved to Rs. 701.30 Lakhs during 2005-06.

4. FUTURE PROSPECTS:

a. Acquisitions:

Your Company has acquired Western Pressing Private Limited, a company manufacturing Tubular Formed Products, Silencers, Exhaust Systems etc in November 2005 by acquiring 100% equity from the previous Management. The Company has achieved a turnover of Rs.14 Crores in 2005-06 with a Net Profit of approximately Rs. 56 Lakhs, thus contributing well to both the top line & bottom line of your Company. The expected turnover for 2006-07 is estimated at Rs. 30 Crores. After takeover by your Company, several export orders are under negotiation, with one particular order worth Rs. 20 Crores per annum to South Korea worth mentioning. Your Company is also exploring the possibility of collaboration with a leading European Manufacturer of Exhaust Systems.

After this acquisition, your Company has now the capabilities in the flat Sheet Metal and Tubular Formed Products, thus covering the whole gamut of the flat and Tubular auto components & assemblies.

Your Company has also acquired a 51 % stake in March 2006 in Dimensions Engineering Software Services Private Limited, a company engaged in Design Engineering Services thus making it a subsidiary company. The name of the Company is being changed to Autoline Dimensions Software Private Limited. With this acquisition, your Company has now acquired a 'Head' for the 'Body', the existing manufacturing facilities. Your Company now offers the full range of CAD/CAM/CAE and design engineering capability to customers and proposes to emerge a leading player in the 'ODM' (Offshore Designing & Manufacturing) model, which is now being highly sought after by MNC's looking at India for outsourcing.

b. Joint ventures

Your Company has set up a Joint Venture (with 49% stake) in UAE under the name "Union Autoline Spare Parts, L.L.C." mainly to trade in Automobile Components and Spares to tap the vast potential in Gulf and African Region for automobile spares. The main intention is to build a brand in the market which is placed between the cheaper spares coming from Iran, Iraq etc., and the costly spares coming from OEMs in Germany/ Japan. It is also proposed to set up manufacturing facilities in due course at Abu Dhabi, UAE, through this venture.

c. Expansion

To tap the emerging opportunities, the first phase of expansion on 7 acres of land at Chakan (out of total 15 acres) will be ready by August 2006. This setup will have presses above 800 Ton capacity, facilities for making large size doors for passenger and commercial vehicles with aesthetic parts, making ippers and flat bed trailers etc. A Modern Commercial Tool Room with latest equipments and a Paint Shop is proposed in next phase.

5. AUDITORS REPORT:

The observations made in the Auditors Report, read together with the relevant notes thereon are self explanatory and hence do not call for any comments under section 217 of the Companies Act, 1956.

6. AUDITORS

M/s. Gujar Rawat Sheth & Associates, Chartered Accountants, Pune, Auditors of the Company retire at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment. The requisite certificate under the Companies Act, 1956 has been received from them.

7. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr. M. Radhakrishnan and Mr. Sudhir Mungase, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

The Board of Directors appointed Mr. Gopal G. Patwardhan as an additional Director on 31st March 2006. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Gopal G. Patwardhan holds office only up to the forthcoming Annual General Meeting. A notice in writing was received from him requesting his re-appointment as Director of the Company, liable to retire by rotation, at the forthcoming Annual General Meeting.

Further the Board of Directors is proposed to be expanded with the inclusion of Mr. Prakash B. Nimbalkar, (Ex CMD of SIDBI), Mr. Vijay K. Thanawala (Chartered Accountant with 32 years experience) and Mr. Ajit B. Karnik (From Aerospace Engineering) as additional Directors as their consent for the same has been received. Further Mr. Vikram Bhat (Director from Mahindra Group), Prof. Abraham Koshy (Professor of Marketing, IIM, Ahmedabad) and Mr. Stanton Dodson (Chairman, Duke Equity Partners, Inc. USA) have also agreed in principle to join the Board of Directors.

8. APPOINTMENT OF WHOLE TIME COMPANY SECRETARY :

Mr. Ashutosh B. Kulkarni has been appointed as the whole time Company Secretary with effect from 13th January, 2006 pursuant to the provisions of Section 383 A of the Companies Act, 1956.

9. STATUTORY DISCLOSURES

a. Particulars of employees:

The Particulars required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is not given as none of the employees remuneration exceeds the gross remuneration prescribed under the said rules.

b. Director's Responsibility Statement:

As required by Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- i) In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) The Accounting Policies selected had been applied consistently and judgments and estimates made 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 31st March 2006 and of the profit of the company for that period.
- iii) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis

c. Technology Absorption, Conservation of Energy And Foreign Exchange Earning And Outgo:

Particulars regarding technology absorption, conservation of energy and foreign exchange earning and outgo required under Section 217(1)(e) of the Companies Act 1956 and Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 has been given in Form A and Form B which is annexed hereto.

10. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the officers, staff and employees of the company, Bank of Baroda, Vasantdada Shetkari Sahakari Bank Ltd., HSBC Bank, Kotak Mahindra Bank Limited, Consultants, Government Agencies like Directorate of Industries, DGFT, Excise, Sales Tax/Income Tax authorities, and last but not the least officials of Tata Motors Ltd., Bajaj Auto Ltd., Kinetic Engineering Ltd., Mahindra & Mahindra Ltd., Fiat India Ltd., Walker Exhaust (India) Pvt. Ltd. and all urovaluable vendors.

For and on behalf of the Board
AUTOLINE INDUSTRIES LIMITED

S. T. AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
DIRECTOR



PLACE : PUNE

DATE : 21st May 2006

AUTOLINE INDUSTRIES LTD.

FORM A

FORM FOR DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY

	2005-2006	2004-2005
A] Power and Fuel Consumption		
1) Electricity		
a) Purchased Units	33,88,320	23,13,802
b) Own Generation		
2) Coal and Furnace Oil	NIL	NIL
B] Consumption per unit of Rupee Value	Rs 4.04	Rs 4.01
C] Energy Conservation Measures taken	N.A.	N.A.
D] Impact of Measures taken	N.A	N.A

FORM B

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY
ABSORPTION**

	2005-2006	2004-2005
A] Research and Development	Nil	Nil
B] Technology absorption, adaptation and innovation.	Nil	Nil
C] Foreign Exchange Earnings and outgo		
a) Foreign Exchange Earnings	Rs. 149,546/-	Nil
b) Foreign Exchange Outgo	Rs. 3,04,75,177/-	Rs. 97,618/-
c) Foreign Exchange Inflow	Rs. 6,87,51,949/-	Nil

**For and on behalf of the Board
AUTOLINE INDUSTRIES LIMITED**

**S. T. AKHADE
MANAGING DIRECTOR**

**M. RADHAKRISHNAN
DIRECTOR**

PLACE : PUNE

DATE : 21st May 2006