

**CHAIRMAN EMERITUS  
BOARD OF DIRECTORS**

Mr. Vilas V. Lande

**CHAIRMAN**

Mr. Gopal G. Patwardhan

*Non-Executive*

**MANAGING DIRECTOR &**

**CHIEF EXECUTIVE OFFICER**

Mr. Shivaji T. Akhade

**JT. MANAGING DIRECTOR**

Mr. M. Radhakrishnan

**WHOLETIME DIRECTOR**

**DIRECTORS**

Mr. Sudhir V. Mungase

CA. Vijay K. Thanawala

Mr. Prakash B. Nimbalkar

Prof. Abraham Koshy

Mr. Ajit B. Karnik

Cmde. N. Ravindranathan IN (Retd)

Prof. Chandramouli Padmanabhan

Mr. Rakesh Jhunjhunwala

Mr. J. Stanton Dodson

*Independent and  
Non-Executive  
Directors*

*Non-Executive*

**CHIEF FINANCIAL OFFICER**

Mr. Sanjay A. Landge

**COMPANY SECRETARY**

Mr. Ashutosh B. Kulkarni

**AUDITORS**

Gujar Rawat Sheth & Associates

Chartered Accountants, Pune.

**INTERNAL AUDITORS**

Ernst and Young Private Ltd, Pune. (till March, 2009)

R.M. Rajapurkar & Co., Chartered Accountants, Pune.

(w. e. f. 1<sup>st</sup> April, 2009)

**REGISTERED OFFICE**

S. Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan,  
Taluka- Khed, District- Pune - 410 501.

**BANKERS**

1. Citi Bank N.A.
2. State Bank of India
3. Union Bank of India
4. Axis Bank Limited
5. Kotak Mahindra Bank Limited
6. DBS Bank Limited
7. Small Industries Development Bank of India
8. Barclays Bank, PLC
9. Bank of Baroda
10. HDFC Bank Ltd

**PLANT/UNIT LOCATIONS:**

1. S. No. 825, Kudalwadi, Post Chikhali, Taluka -Haveli, Pune - 412 114.
2. T-135, MIDC, Bhosari, Pune – 411 026.
3. S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist-Pune- 410 501.
4. S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.
5. S. No. 613, Mahalunge, Chakan MIDC, Taluka- Khed, Dist - Pune- 410 501.
6. F-II, 24/25, MIDC, Pimpri, Pune- 411 018.
7. E-12-17 (7) & (8), MIDC, Bhosari, Pune – 411 026.
8. Plot Nos. 5, 6 & 8, Sector 11, IIE, TML Vendor Park, SIDKUL, Rudrapur, Uttarakhand – 263 153.
9. 4 & 5<sup>th</sup> Floor, “Surya Plaza” 214, Navi Peth, L.B.S. Marg, Pune - 411 030.
10. 2/86, 7<sup>th</sup> Avenue, Ashok Nagar, Chennai – 600 083.

**Foreign unit locations:**

11. DEP Autoline, LLC., USA - 560 Kirts Blvd., Suite 103, Troy, Michigan – 48084, USA.
12. Autoline Industries USA, Inc. - 100, Commerce Street, Butler, IN. - 46721, USA.
13. Union Autoline Spare Parts, LLC. – P.O. Box – 106974, Abu Dhabi, UAE.
14. Koderat Investments Limited – P.O. Box 58184, 2<sup>nd</sup> Floor, Cassandra Centre, 29, Theklas Lyssioti Street, 3731, Limassol, Cyprus.
15. SZ Design Srl & Zagato Srl - Via Arese, 30 – 20017, Terrazzano di Rho (MI) – Italy.

**REGISTRARS & SHARE****TRANSFER AGENTS**

Link Intime India Private Limited

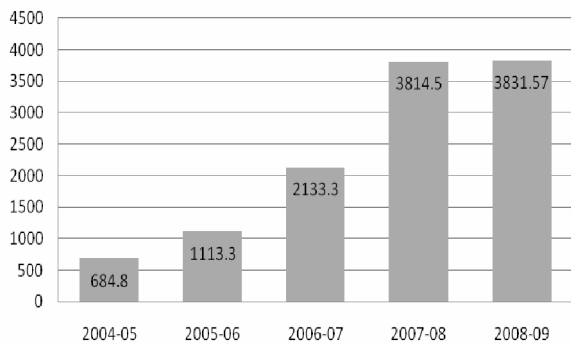
Block 202, 2<sup>nd</sup> Floor, Akshya Complex, Off Dhole Patil Road, Pune- 411 001.

## ***13<sup>th</sup> Annual General Meeting***

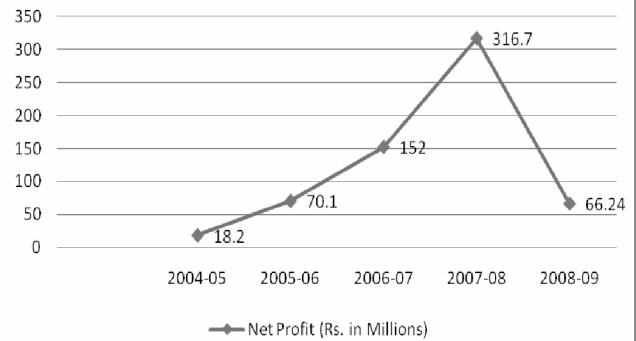
**Date** : **Friday, September 25, 2009**  
**Time** : **3.00 p.m.**  
**Venue** : **S. Nos. 291 to 295, Nanekarwadi, Taluka - Khed, Dist-Pune- 410 501**

## FINANCIAL PERFORMANCE FOR LAST FIVE YEARS

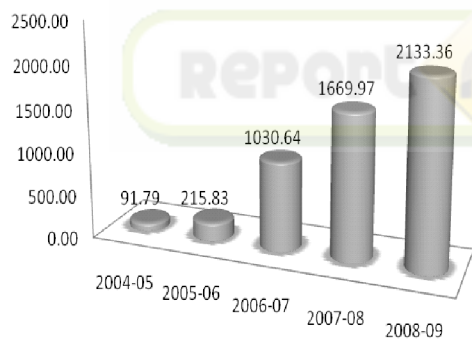
**Turnover (Rs. in Millions)**



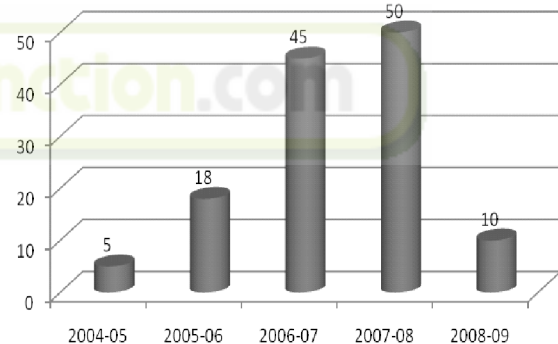
**Net Profit (Rs. in Millions)**



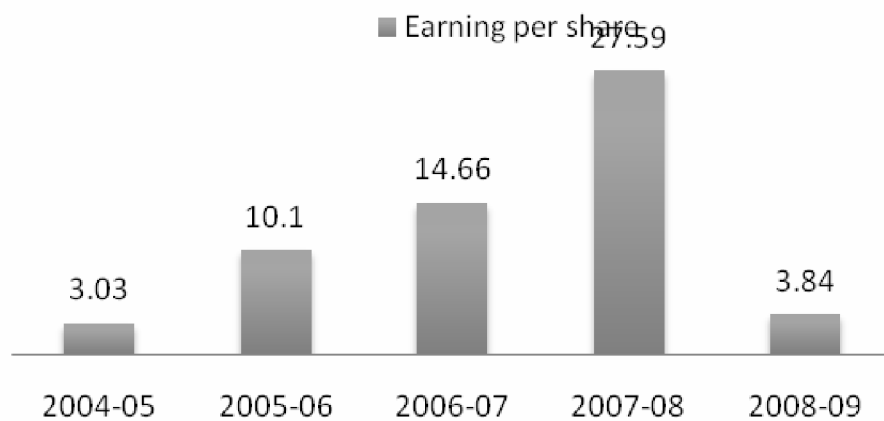
**Net Worth (Rs. in Millions)**



**Dividend %**



**Earning per share**



## FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS (STANDALONE)

(Rs. in Million)

PARTICULARS	2008-09	2007-08	2006-07	2005-06	2004-05
Net Fixed Assets	2,048.85	1,567.02	877.48	527.28	309.06
Investment	856.22	606.02	58.05	26.54	6.21
Net Current Assets	300.28	421.27	459.54	85.72	74.84
Miscellaneous Expenditure	0.80	-	-	0.65	0.97
<b>TOTAL ASSETS (NET)</b>	<b>3,206.16</b>	<b>2,594.31</b>	<b>1,395.07</b>	<b>640.19</b>	<b>391.08</b>
Share Capital	122.05	109.55	103.67	81.06	71.75
Share Warrants	27.00	-	-	-	-
Reserves	1,610.80	1,302.00	903.45	134.77	20.04
Secured Loan	870.34	769.55	288.56	312.79	216.91
Unsecured Loan	527.62	376.60	86.60	111.57	82.38
Deferred Tax Liability (Net)	48.34	36.61	12.79	-	-
<b>TOTAL FUND EMPLOYED</b>	<b>3,206.16</b>	<b>2,594.31</b>	<b>1,395.07</b>	<b>640.19</b>	<b>391.08</b>
<b><u>INCOME</u></b>					
Sales (Gross)	2,631.94	3,022.90	2,100.32	1,113.26	684.82
Less: Excise Duty	291.22	356.63	264.95	146.20	90.82
Sales ( Net )	2,340.73	2,666.27	1,835.37	967.05	594.00
Other Income	18.66	11.62	1.50	0.96	1.10
Increase/ Decrease of Finished Goods	14.07	(12.02)	2.27	6.10	19.51
<b>TOTAL INCOME</b>	<b>2,373.45</b>	<b>2,665.87</b>	<b>1,839.15</b>	<b>974.12</b>	<b>614.61</b>
<b><u>EXPENDITURE</u></b>					
Raw Material/ Consumables and Others	1,576.63	1,748.60	1,214.38	616.08	461.03
Other Manufacturing Cost	402.24	393.84	292.65	167.80	57.63
Employment Cost	121.86	77.83	30.84	21.12	23.30
Administrative and Selling Cost & Others	54.21	57.47	45.03	53.12	21.56
Preliminary & Miscellaneous Expenses	0.20	-	0.65	0.31	0.32
Written off					
Interest	71.68	45.26	22.11	17.58	16.22
Depreciation	84.19	43.22	28.45	21.06	14.74
<b>PROFIT BEFORE TAX</b>	<b>62.44</b>	<b>299.65</b>	<b>205.05</b>	<b>77.04</b>	<b>19.80</b>
<b><u>TAX</u></b>					
Income Tax	7.21	33.80	41.40	6.50	1.60
Fringe Benefit Tax	0.85	0.72	0.51	0.42	-
Deferred Tax Liability (Net)	8.68	20.78	12.79	-	-
<b>PROFIT AFTER TAX</b>	<b>45.71</b>	<b>244.35</b>	<b>150.35</b>	<b>70.13</b>	<b>18.20</b>
Balance Brought Forward	292.33	144.37	67.83	16.51	-
Add:- Dividend Equalisation Fund Transferred	-	-	-	-	0.48
<b>APPROPRIATIONS</b>					
PROPOSED & DECLARED DIVIDENDS (including Dividend Distribution Tax)	14.28	71.40	53.81	13.31	2.27
AMT. TRANSFERRED TO GENERAL RESERVE	1.20	25.00	20.00	5.50	-
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>322.56</b>	<b>292.33</b>	<b>144.37</b>	<b>67.83</b>	<b>16.42</b>

**Rs. 10 Lacs = Rs. 1 Million**

## CONTENTS

## Page No.

1	Chairman's Message	10
2	Notice	11
3	Directors' Report	24
4	Management Discussion and Analysis	32
5	Corporate Governance Report	39
6	Standalone Accounts	
	• Auditors' Report	54
	• Balance Sheet	58
	• Profit and Loss Account	59
	• Cash Flow Statement	60
	• Schedules forming part of Balance Sheet and Profit and Loss Account	61
	• Notes to Accounts	68
7	Consolidated Accounts	
	• Auditors' Report	75
	• Balance Sheet	76
	• Profit and Loss Account	77
	• Cash Flow Statement	78
	• Schedules to Accounts	79
	• Notes to Accounts	87
8	Statement pursuant to Section 212 of the Companies Act, 1956	95
9	Details of Balance Sheet and Profit and Loss of subsidiary companies	96
10	Balance Sheet Abstract and Company's General Business Profile	97
11	Attendance slip / proxy form	

## CHAIRMAN'S MESSAGE

**A**s we ended the last year, we knew that the year that stood before us would be a challenging one. Interleaved with despair and determination, devastation and defiance the last twelve months have shaken the Automotive Industry far more than most sectors of the economy affected by the financial crisis that continues to dominate the global economic landscape.

At Autoline, the last year has been one of focused consolidation, streamlining operations and controlling the effects of a severe contraction in short term demand, while still continuing to maintain the momentum of new projects and opportunities created by the crisis in the United States and Europe, as well as closer home in India.

Over the course of the last twelve months, your Company shipped its first consignment of products made in India for the US market for our customers – Cummins Power Generation, Minneapolis, USA. Your Company initiated an acquisition of SZ Design SRL an automotive styling marquee name associated with brands like Ferrari, Masseratti, Buggati, Lamborgini, Aston Martin and Bentley amongst a host of others. Your Company also absorbed the US mechanical assemblies business of DriveSol Inc. into its manufacturing plant in Butler Indiana, thereby widening the product portfolio and client base of our operations in the United States, to include pedal systems, hinges and other small mechanical assemblies.

Together these new initiatives have enabled your Company to significantly strengthen its scope of activities across the value chain, while augmenting its global footprint.

Over the course of the last year, your Company has filed 4 US patents in a range of product areas including small mechanical assemblies and chassis systems.

The brisk pace of growth achieved is reflected in our financial performance and over the last two years your Company's revenue and profit after tax has quadrupled.

The effects of the liquidity crisis and the sudden contraction in demand during the end of second and third quarter of the year affected our sales growth trajectory, while the fluctuation in raw material prices coupled by the shock of reduced capacity utilization in the short term affected our bottom line much like others in the sector. The market situation improved significantly on the domestic front in the fourth quarter, however as a result, for Financial Year 09, we recorded a consolidated turnover of Rs. 3831.57 Millions as compared to Rs. 3814.50 Millions in the previous period. Profit before tax for the year stood at Rs. 88.93 Millions as compared to Rs. 387.69 Millions, while profit after tax decreased to Rs. 66.24 Millions as compared to Rs. 316.73 Millions in the previous year.

In view of the reduced bottom-line and to conserve capital, in a potentially liquidity constrained market, the Board has recommended a decrease in the dividend payment to 10% as against 50% in the previous year.

While the last year was challenging for your Company, like most others in the industry, we are more optimistic about the future, having taken a number of measures to control costs, improve efficiencies and enhance value addition to our customer base. We believe your Company has significant potential to not only weather the challenges it may face in the short-run, but also to take advantage of the opportunities resulting of a morphed competitive environment.

I would like to take this opportunity to express my gratitude to the Board of Directors of Autoline, its subsidiaries and associates, bankers, employees, suppliers and the shareholders for their unstinted support and the confidence they have placed in our ability to make Autoline a great success.



**(Gopal Patwardhan)**  
**Chairman**

### NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of Autoline Industries Limited will be held on Friday, 25<sup>th</sup> September, 2009 at 3.00 p.m. at S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist-Pune- 410 501 to transact the following business :

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit & Loss Account for the financial year ended 31<sup>st</sup> March, 2009 together with the Reports of the Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2009;
3. To appoint a Director in place of Mr. Gopal G. Patwardhan, who retires by rotation, and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. Prakash B. Nimbalkar, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Mr. Ajit B. Karnik, who retires by rotation and being eligible, offers himself for re-appointment;
6. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS:

7. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** Prof. Chandramouli Padmanabhan who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30<sup>th</sup> September, 2008 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:**

**"RESOLVED THAT** in pursuance of resolution passed at the Tenth Annual General Meeting held on 27<sup>th</sup> September, 2006 and in accordance with the provisions of Section 198, 269, 309 & 310 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for payment of remuneration of Rs. 36,00,000/- per annum or Rs. 3,00,000/- per month to Mr. Shivaji T. Akhade, Managing Director for the remainder period of his contract of appointment starting from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2011.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where in any financial year, during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Shivaji T. Akhade, Managing Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of Rs. 36,00,000/- per annum or Rs. 3,00,000/- per month and shall be governed by and be subject to the provisions contained in Schedule XIII to the Companies Act, 1956.

**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling.

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

9. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:**

**"RESOLVED THAT** in pursuance of resolution passed at the Tenth Annual General Meeting held on 27<sup>th</sup> September, 2006 and in accordance with the provisions of Section 198, 269, 309 & 310 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for payment of remuneration of Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month to Mr. M. Radhakrishnan, Jt. Managing Director for the remainder period of his contract of appointment starting from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2011.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where in any financial year, during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. M. Radhakrishnan, Jt. Managing Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month and shall be governed by and be subject to the provisions contained in Schedule XIII to the Companies Act, 1956.

**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling.

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution::**

**"RESOLVED THAT** in pursuance of resolution passed at the Tenth Annual General Meeting held on 27<sup>th</sup> September, 2006 and in accordance with the provisions of Section 198, 269, 309 & 310 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for payment of remuneration of Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month to Mr. Sudhir V. Mungase, Wholetime Director for the remainder period of his contract of appointment starting from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2011.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where in any financial year, during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Sudhir V. Mungase, Wholetime Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month and shall be governed by and be subject to the provisions contained in Schedule XIII to the Companies Act, 1956.

**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling.

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**By Order of the Board of Directors**

**Place: Pune**

**Date: 29<sup>th</sup> July, 2009**

**(Ashutosh Kulkarni)**

**Company Secretary**



### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Proxies submitted on behalf of limited companies, societies, bodies corporate etc. must be supported by appropriate resolution or authority as applicable.
4. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting and details under Clause 49 of listing agreement with the Stock Exchanges in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting are annexed hereto.
5. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 19<sup>th</sup> September, 2009 to Friday, 25<sup>th</sup> September, 2009 (both days inclusive).
6. Members holding shares in Dematerialised form are requested to intimate any change in their address, bank details, ECS Mandates, nominations, power of attorney, names etc. to their respective Depositories Participants and those holding shares in physical forms are requested to intimate the above said changes to the Company's Registrar and Share Transfer Agents, LINK INTIME INDIA PVT. LTD., Block No. 202, 2<sup>nd</sup> Floor, Akshay Complex, Off Dhole Patil Road, Pune 411001.
7. Members are requested to quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all correspondence.
8. Members/ Proxies are requested to bring Annual Report and attendance slip duly filled in.
9. Members holding shares in multiple folios in the identical order of names are requested to consolidate their holdings into one folio and intimate the same to our R&T Agents.
10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary at least ten days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
11. Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 25<sup>th</sup> September, 2009 to those persons or their mandate :
  - a) whose names appear as Beneficial Owners as at the end of the business hours on Friday, 18<sup>th</sup> September, 2009 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - b) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ Registrar and Share Transfer Agents on or before Friday, 18<sup>th</sup> September, 2009.
12. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agents.
13. Documents referred to in any of the items of the notice are available for inspection at the registered office of the Company upto 25<sup>th</sup> September, 2009 during business hours of the Company.
14. Unclaimed Dividends :

The dividends which remain unclaimed/ un-encashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund, constituted by the Central Government under Section 205(A) and 205(C) of the Companies Act, 1956.

The details of dividend paid by the Company and their respective due dates of the proposed transfer to such Fund of the Central Government if they remain un-encashed are as under:

Date of declaration of dividend	Date of dividend warrant	Dividend for the year	Dividend Rs. Per share	Due date of the proposed transfer to the Central Government
16.02.2005 (Interim)	16.02.2005	2004-05	0.50	15/02/2012
30.01.2006 (Interim)	31.01.2006	2005-06	1.00	29/01/2013
27.09.2006	18.10.2006	2005-06	0.80	26/09/2013
21.02.2007 (Interim)	16.03.2007	2006-07	2.50	20/02/2014
01.09.2007	13.09.2007	2006-07	2.00	30/08/2014
27.09.2008	13.10.2008	2007-08	5.00	26.09.2015

It may please be noted that no claim will lie from a member once the transfer is made to the credit of Investor Education and Protection Fund of the Central Government, under the amended provisions of Section 205(C) of the Companies Act, 1956.

In view of the above regulation, the shareholders are advised to send the un-encashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

By Order of the Board of Directors



Place: Pune

Date: 29<sup>th</sup> July, 2009

(Ashutosh Kulkarni)

Company Secretary