



14th Annual Report 2010

Autoline Industries Limited

**BEST PERFORMANCE AWARD FOR "EXCELLENCE IN QUALITY" IN
SHEET METAL BUSINESS AT NATIONAL VENDOR MEET -TATA
MOTORS LIMITED- 3RD FEBRUARY, 2010**



**GENERAL MOTOR'S "SUPPLIER OF THE YEAR AWARD - 2009". AT GM DOME,
WARREN, MICHIGAN, USA
AUTOLINE INDUSTRIES, USA INC – 11TH MARCH, 2010**



REVERSE ENGINEERING OF BUS FRAME FOR BUS MANUFACTURER



STYLING CONCEPTS DEVELOPED FOR SCHOOL BUS IN USA

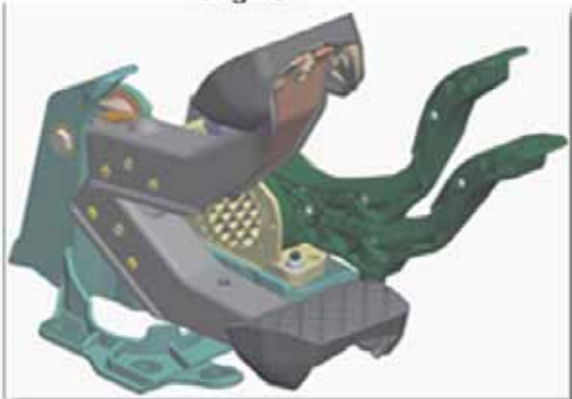


STYLING CONCEPTS DEVELOPED FOR OEM



PEDAL REDESIGN

Original

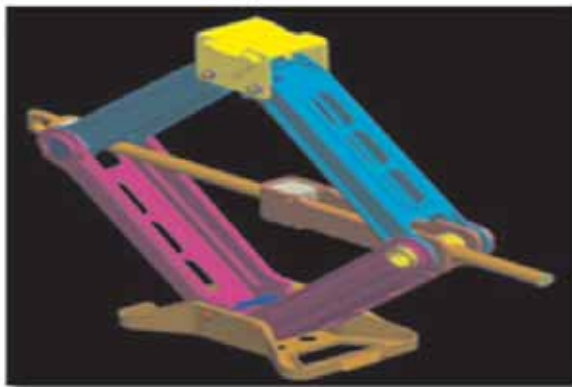


Redesigned

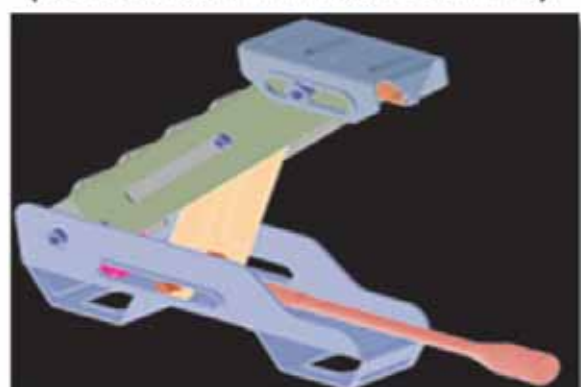


JACK REDESIGN

Original



Redesigned
(QUICK JACK WITH 40% LESS PART)



HINGE REDESIGN

Original



Redesigned



ANNUAL REPORT - 2010

CHAIRMAN EMERITUS BOARD OF DIRECTORS

Mr. Vilas V. Lande

CHAIRMAN

Mr. Gopal G. Patwardhan
(till 20th March, 2010)

Mr. Prakash B. Nimbalkar
(from 20th March, 2010)

Non-Executive

MANAGING DIRECTOR &

CHIEF EXECUTIVE OFFICER

Mr. Shivaji T. Akhade

JT. MANAGING DIRECTOR

Mr. M. Radhakrishnan

WHOLETIME DIRECTOR

Mr. Sudhir V. Mungase

DIRECTORS

CA. Vijay K. Thanawala

Prof. Abraham Koshy

Mr. Ajit B. Karnik

Cmde. N. Ravindranathan IN (Retd)

Prof. Chandramouli Padmanabhan
(till 29th October, 2009)

**Independent and
Non-Executive
Directors**

Mr. Rakesh Jhunjunwala

Mr. J. Stanton Dodson
(till 20th March, 2010)

Non-Executive

CHIEF FINANCIAL OFFICER

CA. Narayan G. Bhat

COMPANY SECRETARY

Mr. Ashutosh B. Kulkarni

AUDITORS

Gujar Rawat Sheth & Associates
Chartered Accountants, Pune.

INTERNAL AUDITORS

R.M. Rajapurkar & Co.,
Chartered Accountants, Pune.
(till 31st March, 2010)

REGISTERED OFFICE

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

BANKERS

1. Citibank N.A.
2. State Bank of India
3. Union Bank of India
4. Axis Bank Limited
5. SICOM Limited
6. Kotak Mahindra Bank Limited
7. DBS Bank Limited
8. Small Industries Development Bank of India
9. Bank of Baroda

FACTORY 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, 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, SIDCUL, Rudrapur, Uttarakhand – 263 153.
9. #2/86, 7th Avenue, Ashok Nagar, Chennai – 600 083.

Foreign locations:

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

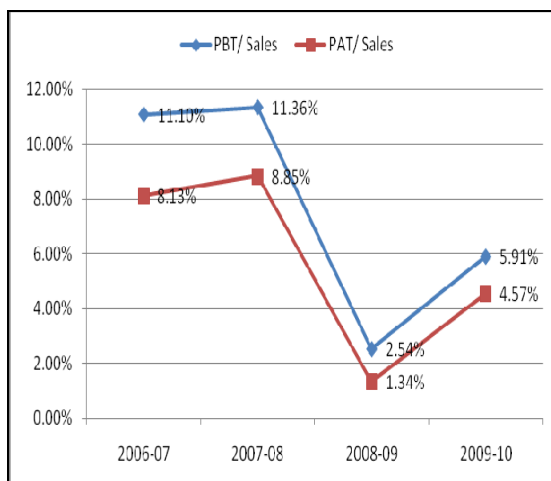
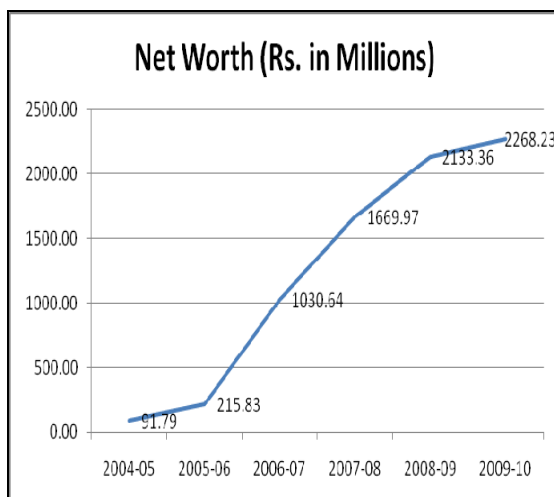
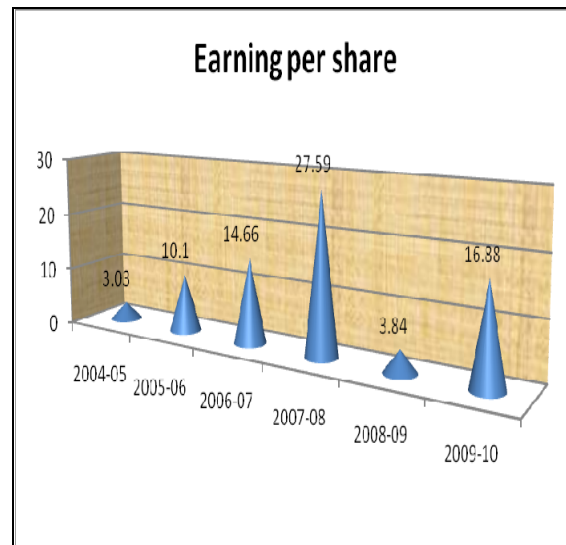
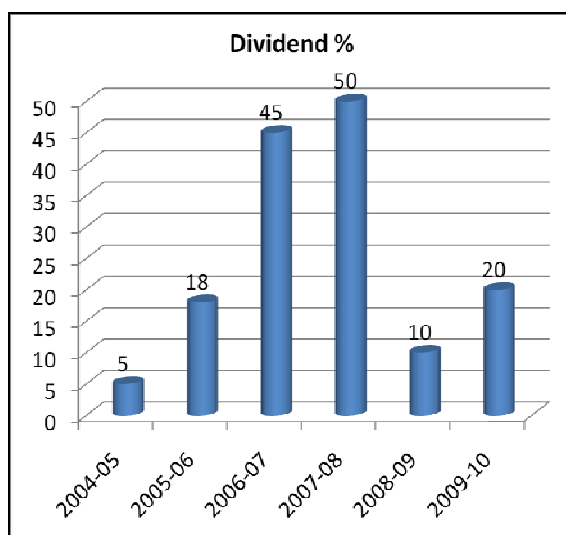
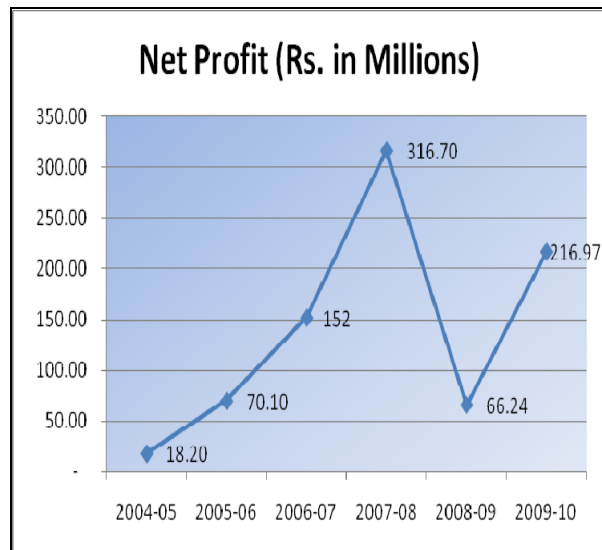
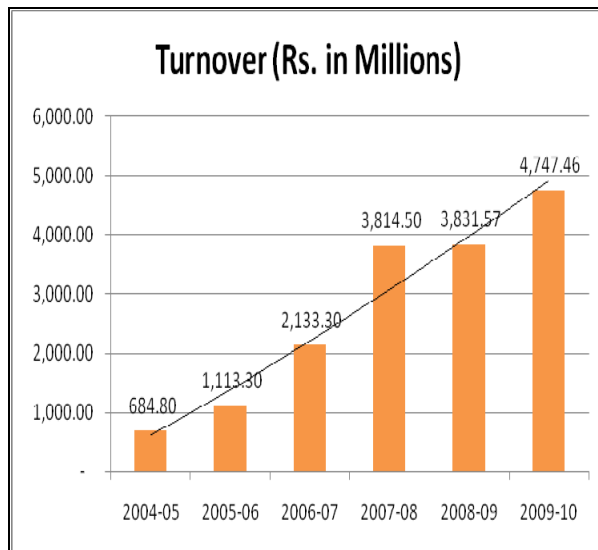
**REGISTRARS & SHARE
TRANSFER AGENTS****Link Intime India Private Limited**

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

14th Annual General Meeting

Date : Friday, September 24, 2010
Time : 3.00 p.m.
**Venue : S. Nos. 291 to 295, Nanekarwadi, Chakan,
Taluka - Khed, Dist-Pune- 410 501**

FINANCIAL PERFORMANCE



FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS (STANDALONE)

(Rs. in Million)

PARTICULARS	2009-10	2008-09	2007-08	2006-07	2005-06
Net Fixed Assets	2,282.49	2,048.85	1,567.02	877.48	527.28
Investments	874.94	856.22	606.02	58.05	26.54
Net Current Assets	324.03	300.28	421.27	459.54	85.72
Miscellaneous Expenditure	0.60	0.80	-	-	0.65
TOTAL ASSETS (NET)	3,482.06	3,206.16	2,594.31	1,395.07	640.19
Share Capital	122.05	122.05	109.55	103.67	81.06
Share Warrants	-	27.00	-	-	-
Reserves & Surplus	1,741.32	1,610.80	1,302.00	903.45	134.77
Secured Loan	1,167.69	870.34	769.55	288.56	312.79
Unsecured Loan	386.11	527.62	376.60	86.60	111.57
Deferred Tax Liability (Net)	64.89	48.34	36.61	12.79	-
TOTAL FUND EMPLOYED	3,482.06	3,206.16	2,594.31	1,395.07	640.19
INCOME					
Sales (Gross)	3,021.25	2,631.94	3,022.90	2,100.32	1,113.26
Less : Excise Duty	225.14	291.22	356.63	264.95	146.20
Sales (Net)	2,796.10	2,340.73	2,666.27	1,835.37	967.05
Other Income	29.97	18.66	11.62	1.50	0.96
Increase/ Decrease of Finished Goods.	(0.37)	14.07	(12.02)	2.27	6.10
TOTAL INCOME	2,825.70	2,373.45	2,665.87	1,839.15	974.12
EXPENDITURE					
Raw material / Consumables and Others	1,765.23	1,576.63	1,748.60	1,214.38	616.08
Other Manufacturing Cost	446.31	402.24	393.84	292.65	167.80
Employment Cost	143.91	121.86	77.83	30.84	21.12
Administrative and Selling Cost & Others	90.26	54.21	57.47	45.03	53.12
Preliminary & Miscellaneous Expenses Written off	0.20	0.20	-	0.65	0.31
Interest	101.91	71.68	45.26	22.11	17.58
Depreciation	104.75	84.19	43.22	28.45	21.06
PROFIT BEFORE TAX	173.13	62.44	299.65	205.05	77.04
TAX					
Income Tax	24.50	7.21	33.80	41.40	6.50
Fringe Benefit Tax	-	0.85	0.72	0.51	0.42
Deferred Tax Liability (Net)	13.50	8.68	20.78	12.79	-
PROFIT AFTER TAX	135.13	45.71	244.35	150.35	70.13
Balance Brought Forward	322.56	292.33	144.37	67.83	16.51
APPROPRIATIONS					
PROPOSED & DECLARED DIVIDENDS (Including Dividend Distribution Tax)	28.56	14.28	71.40	53.81	13.31
Amount transferred to General Reserve.	13.50	1.20	25.00	20.00	5.50
BALANCE CARRIED TO BALANCE SHEET	415.63	322.56	292.33	144.37	67.83

Rs. 10 Lacs = Rs. 1 Million

ANNUAL REPORT - 2010

CONTENTS		Page No.
1	Chairman's Message	10
2	Notice	11
3	Directors' Report	24
4	Management Discussion and Analysis	34
5	Corporate Governance Report	43
6	Standalone Accounts	
	• Auditors' Report	61
	• Balance Sheet	64
	• Profit and Loss Account	65
	• Cash Flow Statement	66
	• Schedules forming part of Balance Sheet and Profit and Loss Account	67
	• Notes to Accounts	74
7	Consolidated Accounts	
	• Auditors' Report	81
	• Balance Sheet	82
	• Profit and Loss Account	83
	• Cash Flow Statement	84
	• Schedules to Accounts	85
	• Notes to Accounts	93
8	Statement pursuant to Section 212 of the Companies Act, 1956	100
9	Details of Balance Sheet and Profit and Loss of subsidiary companies	101
10	Balance Sheet Abstract and Company's General Business Profile	102
11	Attendance slip / proxy form	

CHAIRMAN'S MESSAGE

Dear Stakeholder(s),

During the last two years, the global economic slowdown has adversely affected economies of many countries and automobile industry was not an exception to this and was in fact, one of the worst hit industrial sector during this period. Your Company also faced lot of challenges to overcome numerous problems like most others in the industry.

Esteemed shareholders may recall that at the last AGM, your Company had expressed confidence to not only face these challenges but also take advantage of the opportunities emerging out of competitive environment. The global automobile sector seems to be recovering, and is expected to grow at much faster rate in coming years. As per the Automotive Mission Plan 2006-2016, the automotive industry continues to maintain strong confidence in long term. Consequently the industry is continuing its investments in capacity creation and is spending approximately \$ 1.50 Billion annually.

I am happy to share with you that your Company has not only withstood the storm but showed a surge in the overall business performance. While your Company has achieved considerable increase in the overall business, there was also significant increase in the quality of business and earnings. The year was seen as a year of consolidation and focused attention was paid for streamlining the operations, cost control, increasing efficiency and effectively managing other costs.

Your Company is an integrated Design-Engineering-Manufacturing ancillary Company of automobile components and assemblies to the leading OEMs in the automobile industry. The Company has worked out niche areas for itself and redefined the product mix by constantly upgrading the same as per changing requirements of the OEMs. Today, your Company is engaged in conceptualizing, styling, design-engineering, prototyping and manufacturing of auto components through the business segments such as, styling, design and analysis application, software services, mechanical assembly, medium and large stamped assemblies. Your Company has eleven manufacturing facilities which manufactures more than 400 products for various vehicle segments including passenger cars as well as commercial vehicles. The Company also has design centers at Pune, Chennai, USA and Italy. India is emerging as a design hub and major global OEMs outsource their design & development work to India.

Our vision is “to be an Innovation driven, Global Leader in Design, Engineering and Manufacturing of Automotive Mechanical Systems”. In order to achieve this, we are continuously focusing on value chain and aim at backward and forward integration.

The operations of the Company for the Financial Year 2010 have seen an excellent growth trajectory as compared to the operations of the previous year in as much as its consolidated revenue was to the tune of Rs.4747.46 Millions as compared to Rs.3831.57 Millions in the previous year. The company's Profit Before Tax and Profit After Tax were at Rs.266.66 Millions and Rs.205.97 Millions as against Rs.88.93 Millions and Rs.46.84 Millions respectively in the previous year. The earning per share for the Financial Year 2010 stood at Rs.16.88/- as against Rs.3.84/- for the previous Financial Year.

I am glad to inform that the Board of Directors has recommended enhanced dividend of 20 percent as compared to 10 percent in the previous year.

I am very optimistic about the Company's performance in the coming year. Your company would strive to achieve better performance based on various initiatives already underway aiming at enhancing the stakeholders' value. We will sharply focus on improving further in our product mix, efficiency, product innovation, rearranging of Bank's finance and expansion of business by adding new OEMs to our existing list and also to get closer to our OEMs by offering them best products and solutions. The subsidiary companies of Autoline are also expected to show excellent operational and financial results during the current year. With global economy showing signs of recovery, your company is confident of achieving the desired results, cope up with the emerging challenges and capitalize on the opportunities.

I feel privileged to lead your Company as Chairman. I must emphasize that while stepping into the coming financial year, our whole-hearted efforts will be to achieve higher growth besides gearing up for maximization of stakeholders' value in line with best corporate practices. I look forward to your continued support in strengthening your company's position.

I am grateful to the Board of Directors for their unstinted support and guidance. I would also like to express my gratitude to all the subsidiaries of Autoline, bankers, employees and shareholders who have reposed their confidence in the Company.

(P. B. Nimbalkar)
Chairman