

AUTO  LINE

15th Annual Report 2011

Concept Note

The layout depicts the **Styling, Design, Engineering, Tooling and Manufacturing** capabilities of the Company.

The vector layouts were placed to show the engineering portfolio of the Company with line drawings of a Clutch Pedal Assembly Part, High Deck Load Body and the Company's work for LCV Tippers.

A **SUV** is depicted to show **Strong Tracks of Manufacturing Aspect** of our Company as well as the capability to deliver any automotive related work from **Art to Part**; i.e. styling, engineering and manufacturing.

CHAKAN UNIT II PUNE



Mr. Vilas Lande

- Chairman Emeritus

BOARD OF DIRECTORS

Mr. Prakash B. Nimbalkar

- Non-Executive Chairman (Independent)

Mr. Shivaji T. Akhade

- Managing Director

Mr. M. Radhakrishnan

- Managing Director & CEO

Mr. Sudhir V. Mungase

- Whole Time Director

CA Vijay K. Thanawala

- Independent & Non – Executive Director

Prof. Abraham Koshy

- Independent & Non – Executive Director

Mr. Ajit B. Karnik

- Independent & Non – Executive Director

Cmde. N. Ravindranathan IN. (Retd.)

- Independent & Non – Executive Director

Mr. Rakesh R. Jhunjunwala

- Non-Executive Director
(Resigned with effect from 10th August, 2011)

Mr. Amit K. Goela

- Additional Director
(Non-Executive) (Appointed with effect
from 10th August, 2011)

CA. Narayan G. Bhat

- Chief Financial Officer
(till 11th November, 2011)

CA. Ravindra E. Ketkar

- Chief Financial Officer
(with effect from 11th November, 2011)

Mr. Digambar C. Pargaonkar

- Chief Operating Officer (Operations)

Mr. Ashutosh B. Kulkarni

- Company Secretary

Gujar Rawat Sheth & Associates

Chartered Accountants, Pune.

- Auditors

Chandrakant G. Doshi & Co.,

Chartered Accountants, Pune

- Internal Auditors

REGISTERED OFFICE

S. Nos. 313, 314, 320 to 323 Nanekarwadi,
Chakan, Taluka- Khed, District- Pune 410501

BANKERS

1. Bank of Baroda
2. The Catholic Syrian Bank Ltd.
3. Axis Bank Ltd
4. Kotak Mahindra Bank Ltd.
5. Small Industries Development Bank of India
6. Citi Bank N.A.
7. NKGSB Co-op Bank Ltd.
8. Vidya Sahakari Bank Ltd

FACTORY/UNITS

- 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, Chakan, 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 and 8 Sector 11,IIE, TML Vendor Park, SIDCUL, Pantnagar, Uttarakhand – 263 153.
- 9) 2/86, 7th Avenue, Ashok Nagar, Chennai – 600 083.

FOREIGN UNITS

- 1) DEP Autoline, INC.USA - 560 KirtsBlvd., Suite 103, Troy, Michigan – 48084, USA.
- 2) Autoline Industries USA, Inc - 100, Commerce Street, Butler, IN. 46721 USA.
- 3) Autoline Stampings Limited – 431 – 809 779, Gwanyang-dong, Dong-an-gu Anyang-si, Gysonggi-do, South Korea.
- 4) Koderat Investments Limited – P.O. Box 58184, 2nd Floor, Cassandra Centre, 29, Theklas Lyssioti Street, 3731, Limassol, Cyprus.
- 5) SZ Design Srl & Zagato Srl - Via Arese, 30 – 20017, Terrazzano di Rho (MI) – Italy.

Registrar and Share Transfer Agents

:

Link Intime India Pvt. Ltd.

Block 202,2nd Floor, Akshay Complex,
Off Dhole Patil Road, Near Ganesh Mandir,
Pune- 411001,

Phone: (020) - 26161629, 26160084

Fax: 020 26163503

Email address: pune@linkintime.co.in

Web: www.linkintime.co.in

15th ANNUAL GENERAL MEETING

Date : **Friday, September 30, 2011**

Time : **2.30 p.m.**

Venue : S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist-Pune- 410 501

KEY MANAGEMENT TEAM

Mr. Rajendra Dhas
Mr. Shekhar Sharma
Mr. Ganesh Avhad
Mr. Manoj Bhaiswar
Mr. Avinash Patil
Mr. Yogesh Ghodekar
Mr. Rajeev Chawan
Mr. Santosh Kasture
Mr. Sunil Sharma
Mr. Rajendra Melkania
Mr. Satyanarayana Avindala
Lt Col. Kapil Srivastava (Retd.)
Mr. Vijendra Bagade
Mr. G.V.Ranga Raju
Mr. Faiyaz Kashi
Mr. Satish Satpute
Mr. Sanjeev Devadkar
Mr. Sanjay Chalke
Mr. Venkat Raghavan
Mr. Prabhakaran Menon

Plant Head - Chakan - I
Plant Head - Chakan - II
Plant Head - Chakan - Iii
Plant Head - Bhosari - I
Plant Head - Bhosari - II
Plant Head - Bhosari - III
Plant Head - Bhosari - IV
Plant Head - Kudalwadi
Plant Head - Pantnagar, Uttarakhand
DGM -(HR & Admin) - Pantnagar, Uttarakhand
General Manager - Operations
General Manager - (HR & Admin)
DGM - Q.A.
DGM - Tool Room
DGM - Development & Marketing
AGM- Material Pricing
AGM - Raw Material
AGM- Excise
AGM -Import & Export
CEO, Autoline Design Software Ltd

AUTOLINE INDUSTRIES USA INC.

Mr. Srinath Bramadesam
Ms. Rachel Shupe

President
Chief Financial Officer

Go Green Today

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to shareholders. Members are requested to support this green initiative by updating their email addresses with the respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live.

Financial Highlights For Last Five Years (standalone)

(₹ in Million)

PARTICULARS	2010-11	2009-10	2008-09	2007-08	2006-07
Net Fixed Assets	2,937.05	2,282.49	2,048.85	1,567.02	877.48
Investment	834.17	874.94	856.22	606.02	58.05
Net Current Assets	294.61	324.03	300.28	421.27	459.54
Miscellaneous Expenditure	20.53	0.60	0.80	-	-
TOTAL ASSETS (NET)	4,086.36	3,482.06	3,206.15	2,594.31	1,395.07
Share Capital	122.05	122.05	122.05	109.55	103.67
Share Warrants	-	-	27.00	-	-
Reserves & Surplus	1,901.41	1,741.32	1,610.80	1,302.00	903.45
Secured Loan	1,667.11	1,167.69	870.34	769.55	288.56
Unsecured Loan	310.22	386.11	527.62	376.60	86.60
Deferred Tax Liability (Net)	85.57	64.89	48.34	36.62	12.79
TOTAL FUND EMPLOYED	4,086.36	3,482.06	3,206.15	2,594.31	1,395.07
INCOME					
Sales (Gross)	5,382.29	3,021.25	2,631.94	3,022.90	2,100.32
Less: Excise Duty	405.66	225.14	291.22	356.63	264.95
Sales (Net)	4,976.62	2,796.11	2,340.72	2,666.27	1,835.37
Other Income	14.87	29.97	18.66	11.62	1.50
Increase/ Decrease of Finished Goods	12.39	(0.37)	14.07	(12.02)	2.27
TOTAL INCOME	5,003.89	2,825.71	2,373.45	2,665.87	1,839.15
EXPENDITURE					
Raw Material/ Consumables and Others	3,253.40	1,765.23	1,576.63	1,748.60	1,214.38
Other Manufacturing Cost	705.73	446.31	402.24	393.84	292.65
Employment Cost	291.18	143.91	121.86	77.83	30.84
Administrative and Selling Cost & Others	151.76	90.26	54.21	57.47	45.03
Preliminary & Miscellaneous Expenses	5.25	0.20	0.20	-	0.65
Written off					
Investment Written off	0.50	-	-	-	-
Interest	183.23	101.91	71.68	45.26	22.11
Depreciation	147.74	104.75	84.19	43.22	28.45
PROFIT BEFORE TAX	265.11	173.14	62.44	299.65	205.05
TAX					
Income Tax	55.19	24.50	7.21	33.80	41.40
FBT	-	-	0.85	0.72	0.51
Deferred Tax Liability (Net)	9.30	13.50	8.68	20.78	12.79
PROFIT AFTER TAX	200.61	135.14	45.70	244.35	150.35
Balance Brought Forward	415.63	322.56	292.33	144.37	67.83
APPROPRIATIONS					
PROPOSED & DECLARED DIVIDENDS (including Dividend Distribution tax)	42.70	28.56	14.28	71.40	53.81
Amount transferred to General Reserve	21.00	13.50	1.20	25.00	20.00
BALANCE CARRIED TO BALANCE SHEET	552.55	415.64	322.55	292.33	144.37

₹ 10 Lacs = ₹ 1 Million

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A Curtain Raiser

VISION STATEMENT :

"To be an Innovation Driven, Global Leader in the Design, Engineering and Manufacturing of Automotive Mechanical Systems."

About the Company:

Your Company is a prominent Pune based leading auto components manufacturer and supplier to Original Equipment Manufacturers (OEMs) and Automobile companies with presence in the Domestic and International markets. Your Company has three business divisions namely Medium and Large Stamped Assemblies, Mechanical Assembly / Driver Control Systems and Concept, Styling, Designing, Analysis Application Software Services.

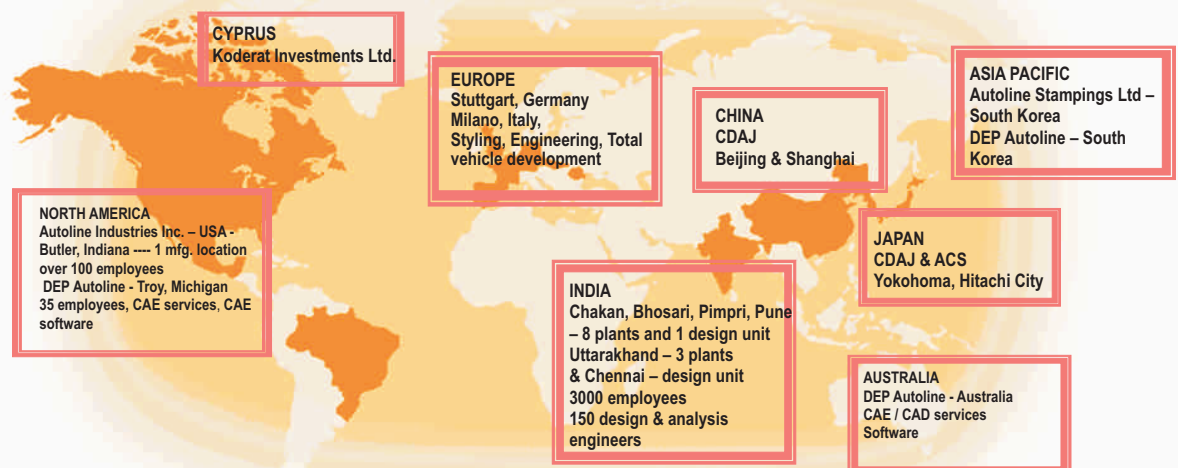
Today, with over 1,000 product offerings, your Company is able to cater to the requirements of varied category of vehicles like Passenger Vehicles (PVs), Sports Utility Vehicles (SUVs), Multi Utility Vehicles (MUVs), Light Commercial Vehicles (LCVs), Heavy Commercial Vehicles (HCVs) and other vehicles.

Key Business Highlights:

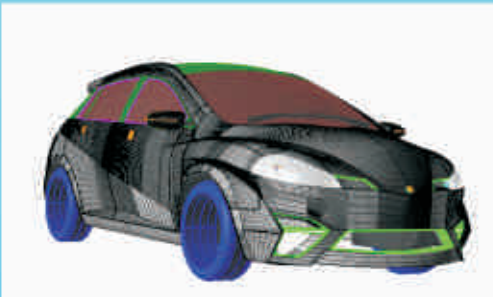
- Thirteen state of the art manufacturing facilities located in Pune, Uttarakhand, USA (Butler, Indiana State) and South Korea.
- Four Design Units in Pune, Chennai, Troy - Michigan, USA and Milan, Italy.
- State of the art Tool Room Facility at Chakan, Pune.
- Unique capability of offshore Designing and Manufacturing model.
- Diversified product range with a portfolio of over 1,000 products ranging from PVs, SUVs, MUVs, LCVs, HCVs etc.
- A strong Clientele – leading OEMs like - Tata Motors, Bajaj Auto, Force Motors, M&M, General Motors, Volkswagen, Ashok Leyland Nissan, Daimler India, Ford to name a few.

Subsidiaries:

1. Autoline Industrial Parks Ltd. (AIPL) – Engaged in the business of setting up and developing SEZs/industrial parks.
2. Autoline Design Software Ltd. (ADSL) – Provides end to end Engineering Solutions.
3. Autoline Industries.Inc. USA – Manufactures and supplies large, medium & small assemblies like automotive bottle jacks, scissor jacks and related products for automotive jack tool kits and Driver Control Modules, Parking Brakes etc.
4. Koderat Investments Limited– Wholly Owned Subsidiary based in Cyprus formed to undertake strategic investments.



The Journey



1995 -1998

- Set up the first manufacturing facility (Autoline Pressings) at Kudalwadi, Chikhali, Pune
- Obtained the Vendor Code for direct supplies to Bajaj Auto Ltd. and Tata Motors Ltd. (then TELCO)
- Converted Partnership Firm into a Private Limited Company (Autoline Stampings Pvt. Ltd)
- Expanded facilities at Kudalwadi, Pune
- Set up manufacturing facilities at Chakan, (unit I)Pune including a sophisticated Tool Room facility.
- Set up a manufacturing unit at T-135 MIDC, Bhosari, Pune

1999 - 2003

- Established CAD/CAM facilities with the latest software available for Tool Making at Chakan, Pune
- Imported latest state of the art CNC Machines for Tool Room facility at Chakan, Pune
- Took over Amogh Engineers and acquired Proprietary Brake Assembly Products business
- Took over smaller pressing companies (Tier II and III) locally supplying to Tata Motors Ltd with their Dies & Tools.

2004 -2007

- Single source supplier of Load Bodies for Tata Motors prestigious "ACE" Mini Truck
- Acquired 15 acres of land to set up a large manufacturing facility at Chakan, (Unit II) Pune.
- Acquired Western Pressing Pvt. Ltd. at F2 block MIDC, Bhosari, Pune with facilities for manufacturing tubular cross members and proprietary products like Silencers, Exhaust Systems etc..
- Acquired a 51% stake in Dimensions Engineering Software Services Pvt. Ltd. Pune, strengthening capabilities in Design Engineering Services.
- Made Initial Public Offering (IPO) and listed on BSE and NSE on January 31, 2007 .
- Acquired 51% stake in Detroit Engineering Products Inc., (DEP), Troy Michigan USA engaged in high end engineering design and analysis (CAE – Computer Aided Engineering)
- The Global Launch of Meshworks Morpher 4.0 proprietary software developed by DEP from Pune, India (Path breaking software which reduces vehicle development time by 90%)
- Acquired Nirmiti Autocomponents Private Ltd. at E-12, MIDC Bhosari, Pune, engaged in high end proprietary Driver Control Modules.
- Set up Autoline Industries USA, Inc. for 100% Acquisition of business and associated assets of Dura Automotive Systems, USA of their company at Butler, Indiana State USA

2008 - 2011

- Formed a Joint Venture, Autoline Industrial Parks Ltd. (AIPL), with Sharjah Cement & Industrial Development Co., UAE, for setting up and developing industrial parks.
- Acquired 100% stake in Koderat Investments Ltd., a Company incorporated and existing under the laws of Cyprus; acting as a Special Purpose Vehicle (SPV). Further "Koderat" acquired (49.0%) equity share capital of "SZ Design S.R.L.", and "Zagato S.R.L", Italian limited liability companies, Milan, Italy ("the Companies/Zagato"). Zagato" is a Milano-based Italian automotive design Company responsible for designing some of the most spectacular cars of the last century for companies such as Ferrari, Maserati, Bugatti, Bentley, Rolls Royce, Jaguar and Lamborghini etc.
- Set up additional manufacturing facility and commenced commercial production at Pantnagar, Uttarakhand in India.
- Set up additional manufacturing facility and commenced commercial production at Mahalunge (unit III) Chakan, Pune.
- Received new business orders from OEMs like - Volkswagen, Daimler India, Ashok Leyland – Nissan, General Motors etc.
- Received approval from Government of Maharashtra on June 23, 2011 for "Mega Project" status to the Chakan Project at Nanekarwadi, Chakan, Tal: Khed, Dist: Pune – 410 501, [a 'C' Zone' under the Package Scheme of Incentives (PSI) 2007] on the basis of an investment of Rs. 199.54 Crores and to provide employment to around 1,063 persons.

From the Chairman's Desk



Dear Stakeholder(s),

At the outset, I extend a warm welcome to all of you at the 15th Annual General Meeting of the Company. I am grateful to you for being present with us this afternoon. The Director's Report and the Audited Financial Statements of the Company for the year ended 31st March, 2011 are already with you and with your approval I shall take the same as read.

Autoline commenced its operations as a stamping and pressing company in the year 1996. Within a span of 15 years, we have established our presence across the entire automotive manufacturing value chain by offering styling, designing, conceptualizing services to both International as well as Domestic OEMs, engaged in manufacturing of medium and large assemblies as well as small assemblies.

The Auto Ancillary segment which is a derivative of the Auto Industry is poised to do well. The last FY has been positive for the Indian economy and also for Indian Automobile industry. The vehicle industry is expected to grow by 14-16%, the auto components industry will grow in line with this. According to industry experts, the Indian auto components industry will cross US \$ 100 billion mark by 2020, growing at a Compound Annual Growth Rate (CAGR) of 15%, while its share in the world is also likely to grow to over 3% by 2015-16. For the year 2011-12, the industry is expected to grow 12-15%. Not only domestic demand, but India is poised to scale new heights in terms of exports as well. Automotive Components Manufacturers Association of India (ACMA) expects exports to be worth \$ 29 billion by 2020-21, growing at a CAGR of 18-19%.

Chakan in Pune is now being developed as the automotive hub in Western India as also, Pantnagar, Uttarakhand and Gurgaon in Northern India. Your Company has a significant presence at Uttarakhand, Pantnagar and this diverse location across the country, with a focus on automotive manufacturing should stand us in good stead.

The Value Engineering expertise which your Company has developed by utilizing the in-house designing skills and R&D activities and development of an in-house state of the art Tool Room facility, places us ahead of the competitive curve. Our designing team's persistent efforts to innovate and re-design existing products for improved passenger safety have dual benefits. Firstly, it benefits the OEMs in terms of reduced cost structure and secondly, your Company, in terms of higher margins from proprietary products.

Though the economic environment had presented several challenges and continues to present challenges, the Company's sound business model and operational experience should help us take on the challenges upfront and overcome them only to emerge stronger. I am pleased to inform you that your Company has completed the year with sustained profitability, overcoming challenges on several fronts. The continued profitability of the Company is a reflection of its sound fundamentals, market resilience and successful implementation of market strategies that offset the cost increase and constrained market situation. I shall highlight some of the significant aspects of the Company's operations during the FY 2010-11.

On a consolidated basis our net sales from operations increased by 46 % on the back of growth in volumes. Operating EBIDTA grew by 33 % on account of good business traction, improved manufacturing efficiency and cost conscious approach. The financials have been arrived at after the full integration (amalgamation) of the Company's Wholly Owned Subsidiaries viz- Nirmiti Autocomponents Pvt. Ltd. and Western Pressing Ltd. and hence would not be directly comparable to those of the previous year. At the net profit level we witnessed a robust growth of 32 % mainly due to strong growth in the topline.

I am glad to inform that the Board of Directors has recommended a dividend of 30 percent as compared to 20 percent in the previous year 2010.

Looking ahead, our aggressive market strategies, launch of new products, recent price revisions and an ongoing cost compression exercise should provide us some more cushion in the event of continued inflationary pressures. Further, with Company's management team's long standing experience in the industry which is well supported by a dedicated team, your Company is headed to pursuit of higher growth levels.