



18TH ANNUAL REPORT

2014

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	: Non- Executive Director (Managing Director and Chief Executive Officer till May 31, 2014)
Mr. Sudhir V. Mungase	: Whole Time Director
Mr. Umesh N. Chavan	: Executive Director and Chief Executive Officer (w.e.f. June 25 , 2014)
CA. Vijay K. Thanawala	: Independent & Non – Executive Director
Mr. Amit K. Goela	: Non – Executive Director
CA. Ravi E. Ketkar	: Chief Financial Officer
Mr. Ashutosh B. Kulkarni	: Company Secretary

AUDITORS

M/s. K.V.M.D.S. & Associates
Chartered Accountants, Pune

INTERNAL AUDITORS

M/s. C.M.R.S. & Associates
Chartered Accountants, Pune

COST AUDITORS

Mr. Sudhir G. Jog
Cost Accountants, Pune

REGISTERED OFFICE

S. Nos. 313, 314, 320 to 323 Nanekarwadi,
Chakan, Taluka- Khed, District- Pune 410501
Tel: +91-2135-664865/6, Fax: +91-2135-664864/53
CIN- L34300PN1996PLC104510

BANKERS

1. Bank of Baroda
2. The Catholic Syrian Bank Ltd.
3. Axis Bank Ltd
4. NKGSB Co-op Bank Ltd.
5. Vidya Sahakari Bank Ltd.
6. Tata Capital Financial Services Limited

FACTORY/ UNITS

- 1) T-135, MIDC, Bhosari, Pune – 411 026.
- 2) S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka -Khed, Dist-Pune- 410 501.
- 3) S. Nos. 313, 314,320 to 323, Nanekarwadi, Chakan, Taluka -Khed, Dist - Pune – 410 501.
- 4) S. No. 613, Mahalunge, Chakan, Taluka- Khed, Dist - Pune- 410 501.
- 5) F-II, 24/25 MIDC, Pimpri, Pune- 411 018.
- 6) E-12-17 (7) & (8), MIDC, Bhosari, Pune – 411 026.
- 7) Plot Nos. 5, 6, and 8 Sector 11,II E, TML Vendor Park, SIDCUL, Rudrapur, Uttarakhand – 263 153.
- 8) Plot Nos. 180-D and 186A, Belur Industrial Area Growth Centre, Industrial Area Garag, Opp. High Court, Dharwad, 580011, Karnataka.

FOREIGN UNITS

- 1) Autoline Industries USA, Inc.– 100, Commerce Street, Butler, IN. 46721 USA
- 2) Autoline Stampings Limited – 431 – 809 779, Gwanyang-dong, Dong-an-gu Anyang-si, Gysonggi-do, South Korea
- 3) Koderat Investments Limited – Griva Digeni 115, Trident Centre, 3101, Limassol, Cyprus
- 4) 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

18TH ANNUAL GENERAL MEETING

Date : Thursday, July 31, 2014.

Time : 2.30 p.m.

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

KEY MANAGEMENT TEAM

Mr. Digambar C. Pargaonkar	- Chief Operating Officer (Operations)
Mr. G. V. Rangaraju	- Vice President, Tool Room
Mr. Satyanarayan Avindala	- GM- Maintenance (till April 16, 2014)
Mr. Dattatraya Kute	- GM- New Product Development and Plant Head, Uttarakhand
Mr. Rajendra Dhas	- Plant Head- Chakan I
Mr. Vijendra Bagade	- DGM- Q.A. (Corporate)
Mr. Faiyaz Kashi	- DGM- Development & Marketing and Plant Head- Bhosari II
Mr. Santosh Kasture	- Plant Head- Pimpri
Mr. Sanjeev Devadkar	- AGM- Raw Material (Corporate)
Mr. Yogesh Ghodekar	- Plant Head- Chakan II
Mr. Manoj Bhaiswar	- Plant Head- Bhosari I
Mr. Ganesh Avhad	- Plant Head- Mahalunge
Mr. Satish Satpute	- AGM - Material Pricing (Corporate)
Mr. Sanjay Chalke	- AGM- Excise (Corporate)
Mr. Rahul Chorghe	- AGM - HR and Admin (Corporate)
Mr. Basil Levi	- Deputy Plant Head.

AUTOLINE INDUSTRIES USA, INC

Mr. Srinath Bramadesam	- President
Ms. Rachel Shupe	- Chief Financial Officer

FINANCIAL HIGHLIGHTS OF LAST FIVE YEARS (CONSOLIDATED)

(₹ In Millions except share data)

PARTICULARS	2013-14	2012-13	2011-12	2010-11	2009-10
OPERATING RESULTS					
Sales and Other Income	6798.95	8052.44	7506.74	6660.73	4509.07
Profit Before Depreciation, Interest & Tax	247.26	624.64	788.31	726.12	545.01
Less: Depreciation	246.70	230.75	210.52	186.64	168.28
Finance cost	338.72	374.84	311.61	185.47	110.08
Profit before Tax (PBT)	(274.44)	87.56	470.04	354.01	266.66
Profit after Tax (PAT)	(399.61)	106.71	394.89	282.06	216.97
Retained Earnings	636.27	1041.98	947.26	754.63	544.93
APPLICATION OF FUNDS					
Net Fixed Assets	2956.75	3098.83	3014.70	3587.33	3129.90
Investments	317.87	664.23	655.39	247.33	243.86
Net Working Capital	2314.90	1811.07	1829.70	1407.42	1142.76
Total	5589.52	5574.13	5499.79	5242.08	4516.52
SOURCES OF FUNDS					
Share Capital	122.85	122.49	122.05	147.05	122.05
Reserves	2153.44	2524.44	2481.87	2338.08	2146.18
Minority Interest	162.01	374.88	377.28	431.41	387.33
Capital Reserve on Consolidation	538.16	140.26	67.36	-	-
Total Shareholder's Fund	2976.46	3162.07	3048.56	2916.54	2655.56
Borrowings	2679.06	2460.98	2454.54	2275.69	1812.17
Deferred Tax Adjustments	124.46	125.36	115.82	88.44	76.07
Total	5779.98	5748.41	5618.92	5280.67	4543.80
OTHERS					
Face Value of Share	10	10	10	10	10
Number of Issued Shares	12285246	12249465	12204969	12204969	12204969
Earnings Per Share (EPS)	(31.52)	9.81	33.41	22.40	16.88
Dividend (%)	-	10%	40%	30%	20%

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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Autoline Industries Limited will be held on **Thursday, July 31, 2014 at 02.30 p.m.** at Survey Nos. 291 to 295, Nanekarwadi, Chakan, Tal. Khed, Dist. Pune 410501, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) The audited financial statements of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and
 - (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2014.
2. To appoint a Director in place of Mr. M. Radhakrishnan (DIN: 00006752), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors in place of retiring Auditors M/s. KVMDs & Associates, Chartered Accountants, Pune (Registration No. 121347W), to hold office from the conclusion of this Annual General Meeting until the conclusion of the twenty third Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT pursuant to the provisions of Section 139, 140 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. A.R. Sulakhe & Co. Chartered Accountants (Registration No. 110540), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the twenty third Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

4. To appoint Mr. Prakash B. Nimbalkar (DIN: 00109947) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
 "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time), Mr. Prakash B. Nimbalkar (DIN: 00109947), who was appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him signifying his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of twenty third Annual General Meeting of the Company in the calendar year 2019."
5. To appoint CA Vijay K. Thanawala (DIN: 00001974) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
 "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time), CA Vijay K. Thanawala (DIN: 00001974), who was appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him signifying his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of twenty third Annual General Meeting of the Company in the calendar year 2019."
6. To appoint Mr. Umesh N Chavan (DIN: 06908966) as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Umesh N Chavan (DIN: 06908966) who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 25, 2014 and who holds office until the date of Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him signifying his candidature for the office of Director, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."
7. To appoint Mr. Umesh N Chavan (DIN: 06908966), Director and Chief Executive Officer as an Executive Director and Chief Executive Officer and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
 "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and

subject to the requisite approval of the Central Government, consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Umesh N. Chavan (DIN: 06908966) , as an Executive Director and Chief Executive Officer of the Company, for a period of 5 (five) years with effect from June 25, 2014, on the terms and conditions as set out in the Statement annexed to this Notice convening this Meeting and in the agreement to be entered into between the Company and Mr. Umesh N. Chavan, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Umesh N. Chavan, subject to the same not exceeding the limits specified in Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT consent of the Members be and is hereby given for payment of remuneration as follows to Mr. Umesh N. Chavan, Executive Director and Chief Executive Officer for the period starting from June 25, 2014 to June 24, 2017 within the limits specified in Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

1. Salary and Bonus: ₹. 60 Lacs per annum
2. Performance / Variable payout: Payable at such intervals, as may be decided by the Board of Directors.
 - a) 1% of net profit on new business developed (net sales excluding any taxes, levies and duties) every twelve months from the date of joining. For the purpose this clause, new business developed every twelve months shall mean business received for the new finished products or received from new customers every twelve months as compared to the previous twelve months on standalone basis.
 - b) 10% on cost reduction achieved in material and Direct manufacturing costs every financial year as compared to previous financial years— as may be decided by the Board of Directors on standalone basis.
3. Perquisites and allowances:
 - a) Mediclaim policy : For self and dependents as per the rules of the Company.
 - b) Personal accident insurance : As per the rules of the Company.
 - c) Directors & Officers Liability Insurance - As per the rules of the Company.
 - d) Insurance - Overseas Travelling insurance- As per the rules of the Company.
 - e) Leave travel concession/ allowance: For self and family as decided by the Board of Directors from time to time.
 - f) Company car and telephone : Use of the Company's car, chauffeur and telephone for performing official duties as per the rules of the Company.
4. Other benefits :
 - a) Earned / privilege leave: As per the rules of the Company.
 - b) Company's contribution to Provident Fund and Superannuation fund: As per the rules of the Company.
 - c) Gratuity : As per the rules of the Company.
 - d) Encashment of leave : As per the rules of the Company.

RESOLVED FURTHER THAT, notwithstanding anything herein above stated where in any financial year closing on or after March 31, 2014, during the tenure of Mr. Umesh N. Chavan, as an Executive Director and Chief Executive Officer of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Umesh N. Chavan, the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 6 Lacs (Rupees Six Lakhs only) plus applicable taxes thereon and the reimbursement of out of pocket expenses at actual basis to be paid to Mr. Sudhir G. Jog, (Membership No. 5599), Cost Auditors for the conduct of the cost audit of the Company for the financial year ending March 31, 2015, as recommended by the Board of Directors, be and is hereby ratified."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To authorise the Board of Directors pursuant to provisions of Section 180(1)(c) of the Act for borrowing money including deposits upto ₹ 500 Crores over and above the aggregate of paid up share capital and free reserves of the Company and in this regard to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Ordinary Resolution adopted at 12th Annual General Meeting held on September 27, 2008 and pursuant to Section 180(1) (c), Section 73, Section 76 read with Companies (Acceptance of Deposits) Rules, 2014 (“the Deposit Rules) and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any other statutory modification(s) or reenactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute/ has constituted for this purpose) to borrow any sum or sums of money (including deposits within the meaning of Section 2 (31) of the Act, read with Rule 2 (c) of Deposit Rules and the non-fund based facilities) from time to time for the purpose of business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate in excess of the aggregate of the paid up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose notwithstanding that the monies borrowed by the Company together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s Bankers/ Financial Institutions in the ordinary course of business), provided that the total amount borrowed and outstanding at any point of time apart from temporary loans obtained/ to be obtained from the Company’s bankers in the Ordinary course of business, shall not be in excess of ₹. 500 Crores (Rupees Five Hundred Crores) over and above the aggregate of the paid up share capital of the Company and its free reserves, and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of borrowing(s) aforesaid, and further to do all such acts, deeds and things and to execute all such documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

By Order of the Board of Directors

For Autoline Industries Limited

(Ashutosh Kulkarni)

Company Secretary and Compliance Officer

June 25, 2014

Registered Office: S. No. 313, 314, 320 to 323 Nanekarwadi,

Chakan, Taluka- Khed, District-Pune 410501

CIN: L34300PN1996PLC104510 e-mail: investorservices@autolineind.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, July 26, 2014 to Thursday, July 31, 2014. (both days inclusive).
5. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.