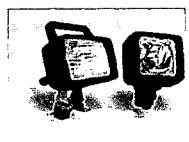
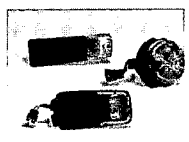
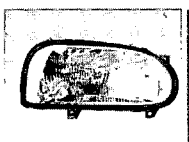




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ANNUAL REPORT



AUTOLITE (INDIA) LIMITED

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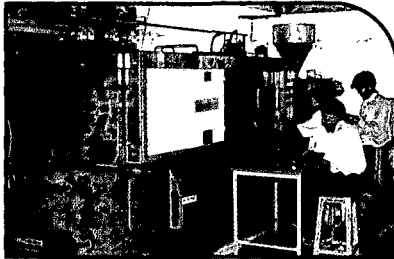
Excellence in Lighting

2008-09

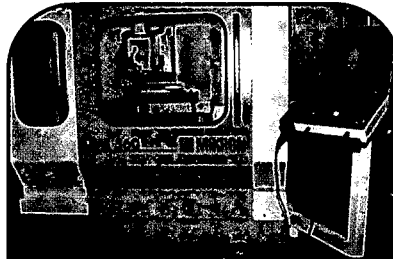


Excellence in Lighting

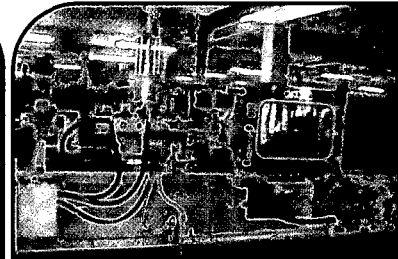
A Glimpse of Plant & Machinery



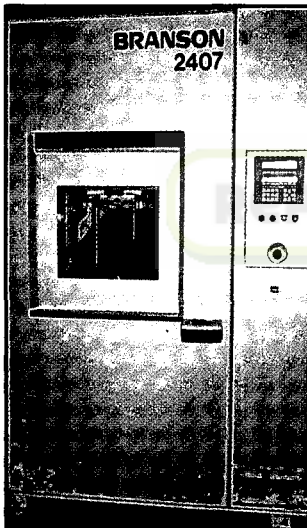
Plastic Injection Moulding Shop



CNC Machining Center



Plastic Injection Moulding Machine (BMC)



Vibration Welding Machine



On Line Photometry Testing



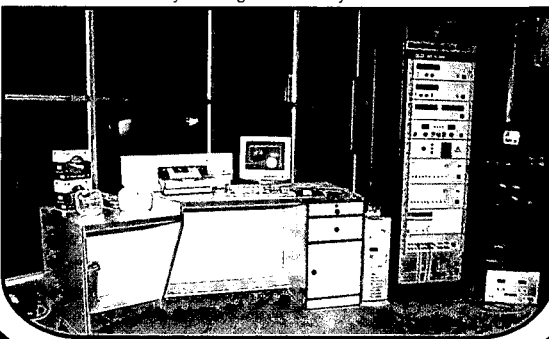
Hydraulic Power Press



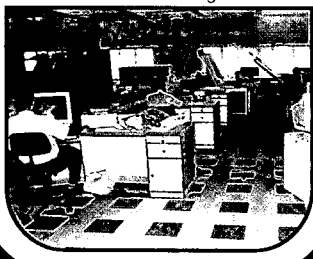
Co-ordinate Measuring Machine



Geometry / Dimensional
Measuring Machine



LMT GOH - 1300, Photometry Center



IBM Work Station

Autolite (India) Limited



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BOARD OF DIRECTORS

Shri Dharam Pal Gupta	Chairman & Managing Director
Shri Yash Pal Gupta	Whole-Time Director
Shri Jai Pal Gupta	Whole-Time Director
Shri Mahi Pal Gupta	Whole-Time Director
Shri Raj Pal Gupta	Whole-Time Director
Shri Gauri Shankar Das	Director
Shri Suraj Prakash Batra	Director
Shri Kuldeep Kumar Gupta	Director
Shri Snehil Kumar	Director
Shri Rajendra Singh Mehta	Director

INVESTORS' SERVICE CELL

Shri Vishal Agarwal, Company Secretary

Bankers

Kotak Mahindra Bank Ltd.
Sardar Patel Marg
C-Scheme, Jaipur - 302-001

Registered Office

D-469, Road No. 9-A,
Vishwakarma Industrial Area,
Jaipur - 302 013 (Rajasthan)

Auditors

M/s H. C. Garg & Co.
Chartered Accountants,
3, Gangwal Park, Jaipur - 302 003

Works

1. D-469, Road No. 9A,
V.K.I. Area, Jaipur
2. E-526-530, RIICO Industrial
Area, Sitapura, Jaipur
3. Parvati Nagar, Kings Road,
Ajmer Road, Jaipur
4. E-195(A), RIICO Industrial
Area, Sanganer, Jaipur

Registrar & Share Transfer Agent MCS Limited

C/o Sri Venkatesh Bhawan,
F-65, Okhla Industrial Area
Phase-I, New Delhi-110020

Autolite (India) Limited

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Structure, Developments & Outlook

The year 2008-09 was witnessed by global slowdown due to recession and slump in the US economy. The economy of the world was badly affected as a result of global melt down. Indian economy is not an exception to the global slump in the world economy. The uncertain political environment, high borrowing cost and global slump slashed exports and moderated demands from local markets in India. The withdrawal of cash resources by Foreign Financial Institutions also put pressure on the Indian economy to a large extent.

In order to overcome the global meltdown, Government had taken active steps in the form of various tax concessions in the form of stimulus packages in order to increase the demand and expenditure on projects which is in the general interest of the public.

Auto sector is badly affected by the global slump and major OEM's were forced to shut down its operations in phases which affect the production activities of auto ancillary units.

Government has targeted the GDP growth of over 6% p.a. which will help the economy to revive. Foreign investors started making investments in Indian market once again which shows good sign of revival of Indian economy.

Opportunities, threats

With reform measures given by the government, the economy is reviving once again and it will again boost up the performance of the company in terms of sales and revenue. The Company is having sound background of research and development and in house technology which is cost effective.

The threats in the Company includes fluctuation in foreign exchange rates, stiff competition, pressures from customers to reduce rates, hike in raw material prices, prevailing international scenario, etc.

Segment-wise performance

The company operates mainly in three business segments i.e. Head Lamps, Halogen Bulbs and Trading. Segment-wise performance is summarized below:

Particulars	2008-09	2007-08	% change
A. Head Lamps (including Reflectors, Sealed Beams, Bulb Components & other Misc. Items)			
Production (No.)	3515868	4731744	(25.70)
Sales (No.)	3468755	4818281	(28.01)
Sales (Rs. Lacs.)	4304.27	5530.69	(22.17)
Average price realization (Rs./Pc)	124.09	114.79	
B. Halogen Bulbs			
Production (No.)	5882270	8343467	(29.50)
Sales (No.)	5933813	8500965	(30.20)
Sales (Rs. Lacs)	1326.13	1651.21	(19.69)
Average price realization (Rs./Pc)	22.35	19.40	
C. Trading			
Purchase (No.)	1674419	2788240	(39.95)
Sales (No.)	1674419	2788240	(39.95)
Sales (Rs. Lacs)	773.51	1208.04	(35.97)
Average price realization (Rs./pc)	46.20	43.33	

Autolite (India) Limited

Risk & Concerns

External and internal risks are surrounded around the Company and it affects the operations and profitability of the Company. As the company is auto ancillary unit, the operations are largely dependent upon the performance of automotive sector viz. Indian Original Equipment Market (OEM) and overseas auto manufacturers. During the year under review, the performance of auto sector was badly affected due to global melt down. The company is exposed to various types of internal and external risks. Internal risks are shortage of working capital, lack of funds for capital expenditure in latest technology, etc.

External risks includes the performance of automotive sector, condition of economy, government policy, foreign exchange rates, raw material prices, competition, etc. However, Company focus its activities towards replacement market which saves the company in substantial fall in its revenue.

Quality & Systems (ISO-14001 & OHSAS – 18001)

Autolite has always been a pioneer in terms of Quality in the eyes of all its customers. Customer Delight has always been the core of all the functions at Autolite. The major achievements in the field of Quality & Systems during the year under review are as under:

- Company is successfully completed its surveillance audit and get only 3 minor NCR's in the audit. It is the lowest NCR's in history of Autolite.
- Company is successfully completed its customer audit with M/s. TATA Motors Limited without any NCR in System, Quality and in Product Manufacturing System. Also regain 3 years supply contract with M/s. Tata.
- Company is successfully completed its customer audit with M/s. M&M and awarded with 86% rating.
- In the year of 2008-09 the rejection ppm at customer end was ZERO PPM in six months.
- Company is revised its Company Quality Objectives with reference to new versions of ISO 9001 (i.e. 2008) and OHSAS 18001 (i.e. 2007) and going to update with new version of TS 16949 (i.e. 2009).
- Company celebrates Feb'09 month as "Defect Free Product Month" and achieve 89.31% Product rating (which is highest till date). It results in restarting supply in TML, Pune; SML, Punjab; and increase SOB (up to 80%) in TML, JSR
- Company installed fire hydrant system in the plant and re-route the emergency escape routes to ensure safety for the associates
- Company implement the ISO 14001 & OHSAS 18001 in practical aspects. It reduces 1% water consumption (by monitoring, analysing & improving), reduces electricity consumptions (also achieve electricity concession from government by increasing power factor), reduce paper consumption
- Company is working with the world wide standards for Quality Management System and Environment, Health & Safety Management Systems.
- Company is certified with ISO 9001, TS 16949, ISO 14001 & OHSAS 18001; which proves its commitment towards Quality, Environment & Society. This certifications are audited and certified by AFNOR, France.



- Company is planning for improving greenery in its premise.
- Company has established new milestones for increasing Total Employee Involvement by encouraging and implementing the suggestions. It has established Help Desk to resolve employees grievances
- Company is running Quality Circle Activities in plant and has participated in CII competition held in Aug'09

Exports

Indian Automotive Industry of India is recognised by Global Vehicle Manufacturers. Most of them wish to set up Manufacturing Unit in India as a Cost Effective Manufacturing Hub.

The Components / Parts from India has high acceptability in Terms of Quality, Cost, Delivery, Development and Logistics.

Inspite of Global recession your company has been able to maintain the Exports Turnover of Rs. 25.41 Crores. Most of our customers have supported us in achieving this sales Turnover.

Your company continues to have strong presence in International market through a well-knit marketing network spread across 55 Countries in Europe, North & South America, Africa and Asia Pacific Countries Your Company has added 12 New Customers from Canada, U.K., Germany, Phillipines, Singapore, Indonesia, Belarus etc during the financial year 2008-09.

Company has recently launched Two New European Car Head Lamps in the Exports Aftermarket. It will give big boost in Growth

of Exports Turnover.

Exports Order booking has shown a continuous Growth Since last five years. Exports sales contributed 31.11% of gross sales turnover of the company. During these five years your company has earned valuable Foreign Exchange worth more than Rs. 100 Crores.

Your Company has participated in Major International shows viz. AAPEX Show Las Vegas (USA) & Automechanika – Frankfurt (Germany) during the current financial Year. Participation in Auto Expo 2008, Delhi was a great success for the Company. Company has received many New Business Proposals which are being followed by Marketing Team. Thus Company expects to retain good market share of Business with these New contacts.

Other Marketing Division

In OEM Division, your Company is major supplier to Commercial Vehicles Manufacturers in India . Company has been able to achieve about 70% Share of Business for the Lamps manufactured by the Company, inspite of tough competition from Indian Head Lamp Manufacturers.

Further, the Halogen Bulbs is growing steadily as a CMVR applications (OEM). It will be soon used as OEM fitments.

Motorcycle Manufacturers have also shown interest in sourcing Halogen Bulbs from your Company. Your Company has installed New Manufacturing and Testing facilities at their Halogen Bulbs Plant. This will help Company to cater these vehicle manufacturers Technical / Quality requirement.

Autolite (India) Limited

Internal Control System

Autolite has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company has a separate internal audit division headed by an experienced professional apart from a firm of Chartered Accountant entrusted with the task of conducting internal audit on regular basis. All material transactions are subject to pre-audit. All non-conformities are reported at the top level and also the corrective actions are taken.

Human Resource Policy

Autolite believes that continued corporate success depends upon the ability to recruit, train, deploy and retain highly talented professionals in a high performance work culture and good work ethics. The organization has a vision of developing itself into a world class organization, excelling in the field of Lamps & lighting and we are poised to achieve this through a team of well trained, self motivated and delighted employees.

Company's HR vision is to create a highly competent, people centered and professional organization and at the same time preserving the very values of the organization such as Honesty, Integrity, Fairness, Team work and positive attitude.

Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs, people are most enabled to contribute to continuous improvement and the ongoing success of their work organization.

To provide an opportunity to the employees to communicate their valuable ideas, creative thoughts, develop their talents and achieve cost reduction and increased productivity, Management has introduced the Suggestion Scheme from 23.07.2007 and amended on 1st August 2009, the scheme invites all types of suggestions/ideas, which will benefit the organization and its employees. The scheme is having the following objectives :

- i) To share benefits resulting from adoption of such suggestions.
- ii) To promote employees motivation, boost their morale and give personal recognition.
- iii) To imbibe a spirit of co-operation and teamwork amongst employees at all levels.
- iv) To enhance total employees involvement in decision-making.
- v) To create self actualization in the minds of employees because "It is Their Idea"

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's expectations or predictions may be 'forward looking' within the meaning of applicable laws or regulations. Actual results may differ materially from those expressed or implied.



CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

Autolite stands committed to adopting high standards of disclosure and corporate governance and protecting rights of the stakeholders. The company also believes in conducting its business in transparent and ethical manner.

Clause 49 of the Listing Agreement stipulates norms and disclosure standards to be followed on the corporate governance by listed companies. The Board of Directors of Autolite has adequate representation of the qualified, professional, non-executive and independent directors. For speedy and efficient disposal of matters requiring special attention, Committees of Directors have been constituted. The following information constitutes compliance

report of Autolite with Clause 49:

2. Board of Directors

The Board of Directors is the apex body which monitors the overall functioning of the Company. It defines the Company's policies and oversees its implementation. The Board has constituted various committees to facilitate the decision making process in an informed and efficient manner.

As on March 31, 2009, the Autolite Board consisted of ten Directors, five of whom including the Chairman & Managing Director were executive Directors. The remaining five were non-executive Directors, all being independent. The Board Composition as on March 31, 2009 is given hereunder:

Board Composition

Particulars	Composition of the Board		Minimum Requirement as per Clause 49
	No. of Directors	% of Total Directors	
Non-Executive Directors	5	50	50%
Executive Directors	5	50	-
Total	10	-	-

The composition as on date, the changes during the year under review, number of meetings attended and Directorships / Committee Memberships in other companies are as follows:

Autolite (India) Limited

Sr. No.	Name of Director	Category	Attendance at Board & AGM		Outside Directorships & Committee Positions (as on 31.3.2009)			
			Board Meetings attended	Last AGM	Directorships		Committee Positions	
					Member	Chairman	Member	Chairman
1	Shri D. P. Gupta	Promoter and Managing Director	10	Yes	2	N.A.	Nil	N.A.
2	Shri Y. P. Gupta	Promoter and Whole-time Director	10	Yes	2	N.A.	Nil	N.A.
3	Shri J. P. Gupta	Promoter and Whole-time Director	9	Yes	2	N.A.	Nil	N.A.
4	Shri M. P. Gupta	Promoter and Whole-time Director	10	Yes	2	N.A.	Nil	N.A.
5	Shri R. P. Gupta	Promoter and Whole-time Director	10	Yes	2	N.A.	Nil	N.A.
6	Shri S. P. Batra	Independent & Non-Executive Director	10	Yes	Nil	N.A.	1	1
7	Shri G. S. Das	Independent & Non-Executive Director	10	Yes	Nil	N.A.	3	1
8	Shri K. K. Gupta	Independent & Non-Executive Director	7	No	Nil	N.A.	1	Nil
9	Shri R. S. Mehta	Independent & Non-Executive Director	10	Yes	Nil	N.A.	2	1
10	Shri Snehil Kumar	Independent & Non-Executive Director	1	Yes	Nil	N.A.	1	Nil

Alternate directorship, directorship in private limited companies are included.

Only membership in Audit Committee and Shareholders Grievance Committee included

None of the director on the Board is member on more than 10 Committees or Chairman of more than 5 committees across the companies in which he is a director. All the directors have made requisite disclosure regarding directorship/ Committee position occupied by them in other companies.