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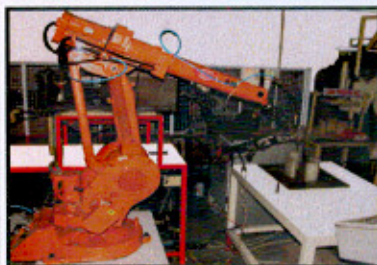
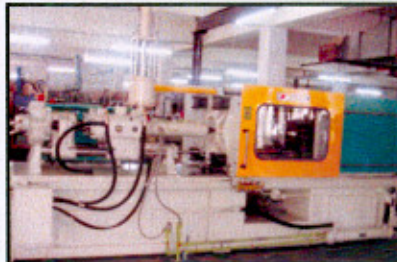
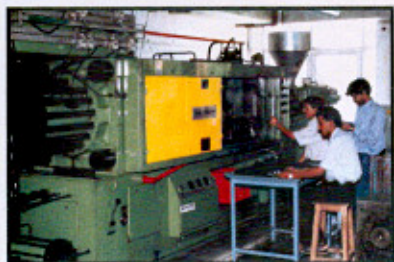
MPG
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**36th ANNUAL
REPORT 2012-13**

AUTOLITE (INDIA) LIMITED

MANUFACTURING & TESTING FACILITIES



36th Annual Report 2012-2013

BOARD OF DIRECTORS

Shri Mahipal Gupta	Chairman & Managing Director
Shri Amit Mahipal Gupta	Whole-Time Director
Shri Adarsh Mahipal Gupta	Whole-Time Director
Shri Gauri Shankar Das	Director
Shri Suraj Prakash Batra	Director
Shri Kuldeep Kumar Gupta	Director
Shri Rajendra Singh Mehta	Director

INVESTORS' SERVICE CELL

Shri Vishal Agarwal, Company Secretary
Mobile No. : 93144 82795

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-527-529, RIICO Industrial
Area, Sitapura, Jaipur
3. Parvati Nagar, Kings Road,
Ajmer Road, Jaipur

Registrar & Share Transfer Agent

MCS Limited

C/o Sri Venkatesh Bhawan,
F-65, Okhla Industrial Area
Phase-I, New Delhi-110020
E-mail: admin@mcsdel.com
Tel. No.: 011-41406149

Autolite (India) Limited

INDEX

Page No.

Management's Discussion & Analysis	3 - 5
Corporate Governance	6 - 19
Directors' Report	20 - 26
Auditors' Report	27 - 31
Balance Sheet	32
Profit & Loss Account	33
Notes	34 - 57
Cash Flow Statement	58
Auditors' Report & Annual Accounts of Autopal Inc. (Subsidiary Company)	59
Notice	60-67



MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Structure, Developments & Outlook

The Indian automobile segment witnessed the tough challenge in 2012-13 resulting in slowing demand due to various factors affecting overall sales of automobiles. Increase in fuel cost, interest rates and overall slowdown in the global economy are the factors which affect the turnover of automobile sector. During financial year 2011-12 and 2012-13, the turnover of auto component industry recorded USD 42.4 billion and USD 40.6 billion respectively which shows declining trend in auto component sector. Overall Indian automobile industry has shown nominal growth of 2.61% in financial year 2012-13 in comparison to financial year 2011-12.

The trend is likely to continue in 2013-14 due to rising fuel costs, weakening of Indian Rupee in comparison to US dollar and slow income growth and in order to achieve high growth rate, it is likely to be a major concern for the industry for the year 2013-14. However, from a long-term perspective, rising incomes, improved affordability and untapped markets present promising opportunities for the automobile industry in India.

Opportunities, threats

a) Opportunities

Indian automobile market is full of opportunities where there is ample scope of passenger cars and two wheelers segment. We observe very often change in the models of vehicles which call for fast development of new products.

The Company is having huge order base of OEMs which is running over Rs. 150 Crores

in hand. The Company has diversified its marketing network to tap new areas. The Company is exporting its products in International After Market and in Indian market the Company is supplying to Original Equipment Market (OEMs), Replacement Market and also branding for major customers of Automotive sectors.

In addition to the above, Company is benefited for export sales on account of high revenue generation due to rise in dollar price as Company export sales is more than 30% of total turnover.

b) Threat

The slow down in Indian OEM especially in Commercial Vehicle segment and also in export market in automotive sector poses a threat for the Automotive Sector which may affect the Company's overall performance. Rise in prices of raw material and fuel prices, etc put pressure on the bottom line of the Company. Further, the external factors i.e. fluctuations in foreign exchange rates, slowdown of world economy, change in Government policies may affect the revenues of the Company.

Risk & Concerns

The Company is an automotive component industry whose success is mainly dependent on the vehicle manufacturing industries. The demand of vehicle manufacturing industry derives from the demand from the consumers.

The operational performance of the Company is exposed to External and internal risks associated

Autolite (India) Limited

with the business. Frequent changes in foreign exchange rate, Government policies, interest cost, inflation, liquidity crisis and rise in prices of raw material are some of the risks which may affect on the growth of the business of the Company. Further, the business of the company is dependent upon the overall growth and business plans of Original Equipment Manufacturers. The Company has presence not only in domestic market but also in export market and the global economy continues to be under stress which may impact on export sales.

Systems & Quality (ISO 9001, TS 16949, ISO 14001 & OHSAS 18001)

Autolite (India) Limited is the well known name in the field of System and Quality in automotive industry. Behind this, the aim of the Company is to achieve Customer Delight, working beyond the customer expectations. The major achievements in the field of Quality & Systems during the year as follows:

1. Company is working with the world wide standards for Quality Management System and Environment, Health & Safety Management Systems.
2. Company is certified with ISO 9001, TS 16949, EMS 14001 & OHSAS 18001; which proves its commitment towards Quality, Environment & Safety. These certifications are audited and certified by SAI Global Limited, Australia. Company is cross audited by external team for the upgraded standards and is proud to say that it is certified with the latest versions of all the standards.

3. Company has successfully undergone Customer audit by M/s Tata Motors & M/s Mahindra & Mahindra and got the approval for continuous supplies from both the customers.
4. Company has revised its Company Quality Objectives with reference to new versions of ISO 9001 (2008), TS 16949 (2009) and OHSAS 18001 (2007).
5. Company implements the Environment Management System & Occupational Health & Safety Management System in practical aspects. Company has reviewed the organisation objectives with regard to EMS 14001 & OHSAS 18001.
6. Company has introduced the vision to treat employees as internal customers; so the activities related to Total Employee Involvement is continued. A suggestion committee has been constituted to review and implement these suggestions.

Exports

During financial year 2012-13, Company maintained its export business to almost same level of last year i.e. 2011-12 despite of global slowdown in the automobile sector. Exports during the current financial year stood at Rs. 37.81 Crores.

The Company has bagged export excellence award of Engineering Export Promotion Council (EEPC) for consecutive three financial years. The award for the year 2009-10 & 2010-11 were given in September, 2012 and award for the year 2008-09 was given in January, 2011. The Company has also been selected for Rajasthan Export Award for the year 2010-11 by Rajasthan Government for export



excellence.

The Company has participated in Automechanica Show at Frankfurt, Germany, Auto Expo Delhi & AAPEX Show at Las Vegas (USA) during the current financial year. Company has received encouraging business response from various parties and Company hopes to enhance its market share of Business with the support of customers.

Internal Control System

The Company has adequate and proper system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use and disposition. It also ensures that transactions are authorised, recorded and reported correctly.

The Company's internal audit system which is headed by an experienced Chartered Accountant in addition to a firm of Chartered Accountants entrusted with the task of conducting internal audit on regular basis. All non-conformities and deficiencies are reported to top management and corrective actions are taken.

Human Resource

We value our people and the contributions they made to our success. We believe that right employee engagement is a cornerstone of our success and we provide an encouraging work

environment. It has always been our endeavor to motivate our people for taking initiatives and leadership quality by giving them proper training from time to time.

The purpose of designing such program is inducing Brand Value amongst the employees and meets the objectives listed below:

- ❖ To make the new employee comfortable in the new environment from day one.
- ❖ To offer the same feel of culture and environment as explained during the course of recruitment.
- ❖ To offer a complete orientation of office setup, utilities, policies & practices, organization structure, reporting system, his / her role & organizational expectation before a new employee is placed in the actual job situation.
- ❖ To review employee's performance and level of comfort with the team & superior.

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.

Autolite (India) Limited

REPORT ON 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, 2013, the Autolite Board consisted of seven Directors, three of whom including the Managing Director were executive Directors. The remaining four were non-executive Directors of whom all being independent. The Board Composition as on March 31, 2013 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	4	57.14%	50%
Executive Directors	3	42.86%	-
Total	7	100.00%	-

Board Meetings

In terms of the Listing Agreement, meetings of Board of Directors are held at least four times in a year with a maximum time gap of three months between any two meetings. All information as required to be made available to the Board is provided to the members of the Board well in time for discussions in the Board Meetings for taking corrective action, if any.

During the year ended on March 31, 2013, the Board of Directors met six times. The maximum

time gap between any two meetings during the financial year was 88 days.

The details of the Board Meetings held during the year ended on March 31, 2013 are May 29, 2012, June 30, 2012, August 14, 2012, November 10, 2012, January 19, 2013 and February 14, 2013.

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 :



Sr. No.	Name of Director	Category	Attendance at Board & AGM		Outside directorships & Committee positions (as on 31.3.2013)			
			Board Meetings attended	Last AGM	Directorships		Committee Positions	
					Member	Chairman	Member	Chairman
1	Shri Mahipal Gupta	Promoter and Chairman and Managing Director	5	Yes	Nil	N.A.	Nil	N.A.
2	Shri Amit Mahipal Gupta	Promoter and Whole-time Director	4	Yes	1	Nil	Nil	N.A.
3	Shri Adarsh Mahipal Gupta	Promoter and Whole-time Director	6	Yes	1	Nil	Nil	N.A.
4	Shri S. P. Batra	Independent & Non-Executive Director	6	Yes	Nil	N.A.	1	1
5	Shri G. S. Das	Independent & Non-Executive Director	6	Yes	Nil	N.A.	3	1
6	Shri K. K. Gupta	Independent & Non-Executive Director	4	Yes	2	Nil	2	Nil
7	Shri R. S. Mehta	Independent & Non-Executive Director	6	Yes	Nil	N.A.	2	1

Alternate directorship, directorship in private limited companies are included

Only membership in Audit Committee, Remuneration Committee and Shareholders Grievance Committee included

None of the director on the Board is member of 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.

Autolite (India) Limited

Code of Conduct :

The Company has laid down a “Autolite - Code of Conduct” for the members of the Board of Directors and the Senior Management. All the Board members and Senior Management personnel have affirmed compliance with the code for the year 2012-2013. A declaration to this effect signed by the CEO is given in this report. Annual affirmation of compliance with the Code have been made by the directors and senior management of the Company. The CEO & CFO have certified to the Board with reference to the Financial Statement and other matters as required in clause 49 of the listing agreement.

Prohibition of Insider Trading Policy:

The Company has in place the Code of Conduct for Prevention of Insider Trading to comply with relevant regulations laid down by SEBI. Accordingly the Company announces closure of Trading Windows, free period, declaration of prohibited period etc. The Company has designed a reporting system to prevent insider trading by designated employees and takes quarterly and annual disclosure from the designated employees as mentioned in the Insider Trading Policy.

Appointment/Re-appointment of Directors

The Directors who retire by rotation and who are eligible for re-appointment are:

i) Shri Suraj Prakash Batra (Director)

Shri Suraj Prakash Batra, aged 76 years, is a B.E. (Mech.) and a Fellow of Institution of Engineers (India), MIMA MIIE. He has also done professional courses in Total Quality Management for Top Management from

BITS/UNIDO, Sweden, Advance Management Programme (AMP) from Indian Institute of Management, Ahmedabad, Special course on Production Control and Management from University of Roorkee etc. He has also participated in World Quality Congress thrice. He worked for organizations like Railway Board, Director General Ordnance Factories, Burn Standar Co. (Addl. GM), A.K.S. Bearings Ltd. (Production Chief), Kamal Enterprises (ED) and Cycle Corporation of India (CMD). Currently, he is Director (Training & Development) at the Indian Institute of Rural Management. He has also been making regular contribution to the Technical Journals & other publications. He is Chairman of the Audit Committee of the Board of Directors of the company.

ii) Shri Kuldeep Kumar Gupta (Director)

Shri Kuldeep Kumar Gupta is a Chartered Accountant, Cost Accountant & Company Secretary. He is having 28 years experience in different companies. He is having his own practice of Chartered Accountant since last 22 years and is associated with loan syndication with bank/ financial institutions. He is a member of Audit Committee and remuneration Committee of the Board of Directors of the Company.

3. Audit Committee

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.