

ASAL

Automotive Stampings and Assemblies Limited

Regd. Office:G-71/2, MIDC Industrial Area, Bhosari, Pune 411 026, Maharashtra, India

A TATA Enterprise

20th Annual Report 2009-10

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ASAL

Twentieth Annual Report 2009-10

Automotive Stampings and Assemblies Limited

CORPORATE INFORMATION

Board of Directors

(as on April 28, 2010)

Francisco José Riberas Mera
R. A. Savoor
Pradeep Mallick
L. Lakshman
R.S. Thakur
Alberto Moreno
Amitabha Mukhopadhyay

Chief Executive Officer

Vijay Bijlani

Secretary

Shailendra Dindore

Statutory Auditors

M/s Price Waterhouse
Chartered Accountants

Bankers

HDFC Bank
State Bank of India
Bank of India

Internal Auditors

M/s B. K. Khare & Co.,
Chartered Accountants

Cost Auditors (Internal)

M/s Dhananjay V. Joshi & Associates,
Cost Accountants

Secretarial Auditors

M/s S. V. Deulkar & Co.,
Company Secretaries

Works**Bhosari Works:**

G-71/2,
MIDC Industrial Area,
Bhosari, Pune 411 026,
Maharashtra, India

Chakan Works:

Gat No. 427, Medankarwadi,
Chakan, Taluka Khed, Pune 410 501,
Maharashtra, India

Halol Works:

Survey No. 173,
Village- Khakharia,
Taluka Savali, Near GIDC,
Halol 389 350, Gujarat, India

Pantnagar Works:

Plot No. 71, Sector 11,
IIE Pantnagar Industrial Estate,
Udham Singh Nagar 263 153,
Uttarakhand, India

Address for Correspondence

Registered Office:

G-71/2, MIDC Industrial Area,
Bhosari, Pune 411 026
Maharashtra, India
Tel: 91 020 66314300
Fax: 91 020 66314343
Email: cs@autostampings.com
website: www.autostampings.com

Registrar & Share Transfer Agent:

Link Intime India Private Limited,
202, 2nd Floor Akshay Complex,
Near Ganesh Mandir, Off. Dhole Patil Road,
Pune 411 001, Maharashtra, India
Tel: (91) 020 26050084, 26051629
Fax: (91) 020 26053503
Email: vikrant.deshmukh@linkintime.co.in
Website: www.linkintime.co.in

Annual General Meeting on Friday, the 16th day of July, 2010 at 3.30 p.m. at Moolgaokar Auditorium,
Ground Floor, A Wing, MCCIA Trade Tower, International Convention Centre,
Senapati Bapat Road, Pune 411 016

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in Million)									
	Financial Year									
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10		
Sales & Other Income	1,482	1,805	2,505	2,786	3,248	3,025	3,486	4,173		
Profit before Interest, Depreciation, Tax and Extra-ordinary Income	111	191	170	189	199	205	185	282		
Extra- Ordinary Income	183	35	-	-	102	-	-	-		
Profit / (Loss) After Tax	122	73	40	46	108	43	(24)	51		
Share Capital	222	222	222	222	192	192	192	192		
Reserves & Surplus	195	216	226	242	318	327	284	305		
Shareholders' Funds	417	438	448	464	510	519	476	497		
Loan Funds	263	165	374	365	296	624	707	525		
Total Capital Employed	680	603	822	829	806	1,143	1,183	1,022		
Gross Block	825	850	996	1,033	1,238	1,451	1,975	2,008		
Depreciation	284	358	449	544	650	758	879	1,003		
Net Block	541	492	548	489	587	693	1,096	1,005		
Net Current Assets	85	99	219	239	193	90	104	49		
Preference Dividend	-	22	14	14	12	11	11	11		
Equity Dividend	-	-	12	12	15	15	5	15		
Rate of Dividend	-	-	12%	12%	15%	15%	5%	15%		
No. of Shareholders	1,857	2,651	3,654	2,971	3,111	3,408	3,353	3,363		
Earnings Per Share	11.11	5.59	2.33	2.94	9.25	2.97	(3.62)	3.81		

Automotive Stampings and Assemblies Limited

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of Automotive Stampings and Assemblies Limited will be held on Friday, the 16th day of July, 2010 at 3.30 P.M. at Moolgaokar Auditorium, Ground Floor, A Wing, MCCIA Trade Tower, International Convention Centre, Senapati Bapat Road, Pune 411 016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on 12% Cumulative Redeemable Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Ramesh A. Savoor who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Francisco José Riberas Mera who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. L Lakshman, be and is hereby appointed as Director of the Company and shall be liable to retire by rotation.”
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Amitabha Mukhopadhyay, be and is hereby appointed as Director of the Company and shall be liable to retire by rotation.”

BY ORDER OF THE BOARD
for Automotive Stampings and Assemblies Limited

Shailendra Dindore
Secretary

Pune, April 28, 2010

Registered Office:

G-71/2, MIDC Industrial Area,
Bhosari, Pune 411 026

NOTES

1. Explanatory Statements under section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the meeting are annexed hereto and form part of the notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIMSELF / HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Members are requested to bring their personal copy of the Annual Report to the meeting.
4. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the answers may be made available at the Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from July 10, 2010 to July 16, 2010 (both days inclusive) for the purpose of payment of dividend to those Members, whose names stand on the Register of Members as on July 16, 2010. The dividend in respect of Equity Shares held in electronic form will be payable to the beneficial owners of the Equity Shares as at the end of business hours on July 9, 2010 as per the details furnished by the depositories for this purpose.
6. The dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2010 will be payable on or after July 16, 2010 in accordance with the resolution to be passed by the Members of the Company.
7. To avoid loss of dividend warrants / demand drafts in transit and undue delay in respect of receipt of dividend warrants / demand drafts, the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent.
8. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS mandates, power of attorney, change of address/name, etc. to their depository participant only and not to the Company's Registrar and Transfer Agent. Changes intimated to the depository participant will help the Company and its Registrar and Transfer Agent to provide efficient and better services to the Members.
9. The shareholders who have not yet encashed the dividend for financial years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 are requested to make their claim to the Registrar and Transfer Agent of the Company - M/s Link Intime India Private Limited.
10. Shareholders / investors may contact the Company on the designated E-mail ID: cs@autostampings.com for faster action from the Company's end.
11. The Company has paid the annual listing fee to the respective stock exchanges for the financial year 2010-11.
12. As per the Scheme of Arrangement (demerger) of 2001 between the Company and JBM Auto Limited (formerly known as JBM Auto Components Limited), the shareholders of the Company were required to surrender the original share certificates of the Company for exchange of new shares certificates of both the Companies. Those who have not yet surrendered the share certificates of the Company for exchange are requested to handover / send the same to the Company's Registrar & Share Transfer Agent.

Automotive Stampings and Assemblies Limited

Explanatory Statements

The following Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, set out all material facts relating to the business mentioned at item Nos. 7 to 8 in the accompanying Notice dated April 28, 2010.

ITEM NO. 7

The Board of Directors appointed Mr. L Lakshman as an Additional Director of the Company with effect from April 28, 2010. His term of office expires at the forthcoming Annual General Meeting.

Notice has been received from a shareholder of the Company under Section 257 of the Companies Act, 1956 along with the requisite deposit, proposing the candidature of Mr. L Lakshman for the office of Director.

A brief profile of Mr. L Lakshman is as under: -

Date of Birth and Age	July 17, 1946 – 63 Years
Qualifications	B.E., Executive MBA from London Business School
Expertise in specific functional areas	Mr. L Lakshman is the Executive Chairman of Rane Holdings Limited. He has been spearheading the business of different companies in Rane Group and has more than 39 years of industrial experience.
Chairman / Director of other Indian companies, as on March 31, 2010	<ol style="list-style-type: none"> 1. Rane Holdings Limited – Executive Chairman 2. Rane Brake Lining Limited 3. Rane (Madras) Limited 4. Rane Engine Valve Limited 5. Rane TRW Steering Systems Limited 6. Rane NSK Steering Systems Limited 7. JMA Rane Marketing Limited 8. Kar Mobiles Limited 9. Force Motors Limited 10. DCM Engineering Limited
Chairman / Member of Committees of the Boards of other Indian companies of which he is a Director, as on March 31, 2010	<p><u>Audit Committee:</u></p> <ol style="list-style-type: none"> 1. Kar Mobiles Limited – Chairman 2. Rane Engine Valve Limited - Member 3. Rane (Madras) Limited - Member 4. Rane TRW Steering Systems Limited - Chairman 5. Rane NSK Steering Systems Limited - Chairman <p><u>Investors' Service Committee:</u></p> <ol style="list-style-type: none"> 1. Rane Engine Valve Limited – Chairman 2. Rane (Madras) Limited - Chairman 3. Rane Holdings Limited – Member 4. Kar Mobiles Limited – Member
Shareholding in the Company	NIL

The Company would be immensely benefited from his extensive experience.

The Directors recommend the resolution for approval of the Members.

None of the Directors except Mr. L Lakshman is concerned or interested in the above resolution.

ITEM NO. 8

The Board of Directors appointed Mr. Amitabha Mukhopadhyay as an Additional Director of the Company with effect from April 28, 2010. His term of office expires at the forthcoming Annual General Meeting.

Notice has been received from a shareholder of the Company under Section 257 of the Companies Act, 1956 along with the requisite deposit, proposing the candidature of Mr. Amitabha Mukhopadhyay for the office of Director.

A brief profile of Mr. Mukhopadhyay is as under: -

Date of Birth and Age	August 17, 1964 – 45 Years
Qualifications	B.Sc., A.C.A.
Expertise in specific functional areas	Mr. Mukhopadhyay is the President and Chief Financial Officer of Tata AutoComp Systems Limited. He has over 20 years of experience and has worked in all facets of financial management, supply chain management and general management.
Chairman / Director of other Indian companies, as on March 31, 2010	1. Tata Yazaki AutoComp Limited 2. Knorr Bremse Systems for Commercial Vehicles India Private Limited
Chairman / Member of Committees of the Boards of other Indian companies of which he is a Director, as on March 31, 2010	<u>Audit Committee:</u> 1. Tata Yazaki AutoComp Limited- Chairman 2. Knorr Bremse Systems for Commercial Vehicles India Private Limited - Member
Shareholding in the Company	NIL

The Company would be immensely benefited from his extensive experience.

The Directors recommend the resolution for approval of the Members.

None of the Directors except Mr. Amitabha Mukhopadhyay is concerned or interested in the above resolution.

**BY ORDER OF THE BOARD
for Automotive Stampings and Assemblies Limited**

Shailendra Dindore
Secretary

Pune, April 28, 2010

Registered Office:
G-71/2, MIDC Industrial Area,
Bhosari, Pune 411 026

Automotive Stampings and Assemblies Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twentieth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March 31, 2010.

1. MANAGEMENT DISCUSSION AND ANALYSIS

To avoid duplication and overlap, this Report includes the Management Discussion and Analysis.

1.1 FINANCIAL AND OPERATIONAL PERFORMANCE

The summarised financial results of the Company for the period under review are:

(Rs. in million)

	Financial Year	
	2009-10	2008-09
Sales	4,143.70	3,456.22
Other Income	29.01	29.34
Profit before Depreciation, Financial Charges and Tax	282.05	184.52
Less: Depreciation	135.02	135.33
Financial Charges	69.35	82.53
Profit / (Loss) before Tax	77.68	(33.34)
<u>Less: Provision for Taxation</u>		
a. Current Tax (net of Minimum Alternate Tax credit entitlement)	-	0.03
b. Deferred Tax Expense / (Credit)	26.00	(9.60)
c. Fringe Benefit Tax	-	1.45
d. Short / (Excess) provision for taxation in respect of earlier years	0.23	(0.98)
Profit / (Loss) After Tax	51.45	(24.24)
Balance from last year	34.91	77.75
Profit available for appropriation	86.36	53.51
<u>Appropriations:</u>		
- Transfer to General Reserve	5.00	-
- Proposed Dividend on Preference Shares	10.80	10.80
- Proposed Dividend on Equity Shares	15.30	5.10
- Tax on Dividend	4.34	2.70
Balance Carried Forward	50.92	34.91

Income

Net Sales

The net sales increased by 19.89% during the year under review on the back of an increase in volumes of customer programmes being handled by the Company.

Other Income

The other income mainly consists of income from investments in mutual fund schemes, cash discount received, miscellaneous receipts and write back of provisions no longer required. Other income marginally decreased by 1.12%.

Expenditure

Raw Material Consumed (including Change in Stock)

Raw material consumed (including change in stock) as a percentage to sales reduced by 1.23% mainly because of lower tooling sales where the material content is high.

Payments to and provisions for employees

Employee cost increased by 6.50% due to full year impact of wage revisions effected in the previous year as well as year-on-year salary hikes.

Manufacturing, Selling & Other Expenses

Manufacturing, Selling & Other Expenses have increased by 25.14% as a result of increase in sales and also administrative expenses.

Profit before Interest, Depreciation and Tax

The Profit before Interest, Depreciation and Taxation increased from Rs. 184.52 million to Rs. 282.05 million.

Interest and Finance Charges

Interest and finance charges have decreased by 15.96% mainly on account of repayment of loans.

Depreciation and Amortization

The Depreciation is in line with the previous year inspite of additions to fixed assets which have been neutralized by some of the assets being fully depreciated in the current year.

Net Profit / (Loss)

The Profit after tax of Rs. 51.45 million as against a Loss after tax of Rs. 24.24 million in previous year is as a result of higher sales, write back of provisions no longer required and reduction in interest and finance charges.

1.2 INDUSTRY STRUCTURE AND DEVELOPMENTS

The automotive industry globally is one of the largest industries and is a key driver of the economy. A sound transportation system plays a pivotal role in the country's robust economic and industrial development. The automotive industry comprising the automobile and the auto component sectors has made rapid strides since the de-licensing and deregulation of the sector to Foreign Direct Investment in 1991. The fortunes of the auto components industry are closely linked to that of the automobile industry.

The Indian auto components industry is linked with other engineering and manufacturing divisions in the country through both forward and backward integration. The industry has grown from being a relatively small domestic industry to one that supplies high value and critical components to global automotive giants.

Today, India has the potential to manufacture a range of automotive components (about 20,000 in numbers) - from fasteners to engine parts.

The Industry is highly fragmented with around 500 organized players. The unorganized players are mainly replacement market players or tier three and four component manufacturers.