

ASAL

Automotive Stampings and Assemblies Limited

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

A TATA Enterprise

22nd Annual Report 2011-12

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ASAL

Twenty Second Annual Report 2011-12

Automotive Stampings and Assemblies Limited

CORPORATE INFORMATION

Board of Directors

(as on April 24, 2012)

Pradeep Mallick (Chairman)
R. A. Savoor
L. Lakshman
R.S. Thakur
Amitabha Mukhopadhyay
Ajay Tandon

Chief Executive Officer

Neeraj Kumar

Secretary

Shailendra Dindore

Statutory Auditors

Price Waterhouse

Bankers

HDFC Bank
State Bank of India
Bank of India

Internal Auditors

B. K. Khare & Co.

Secretarial Auditors

S. V. Deulkar & Co.

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 66314322
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 26160084
Fax: (91) 020 26163503
Email: pune@linkintime.co.in
Website: www.linkintime.co.in

Annual General Meeting on Tuesday, the 17th day of July, 2012 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

(Rs. in Crores)

Particulars	Financial Year									
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Total Revenue	148.17	180.47	250.52	278.62	324.78	302.49	348.60	417.30	531.90	571.73
Profit before Interest, Depreciation, Tax and Extra-ordinary Income	11.11	19.10	17.02	18.87	19.86	20.50	18.50	28.20	33.88	29.31
Extra-Ordinary Income	18.26	3.51	-	-	10.18	-	-	-	-	-
Profit / (Loss) After Tax	12.16	7.32	4.02	4.64	10.83	4.30	(2.40)	5.10	10.17	5.97
Share Capital	22.20	22.20	22.20	22.20	19.20	19.20	19.20	19.20	19.20	15.86
Reserves & Surplus	19.49	21.59	22.57	24.17	31.82	32.70	28.40	30.50	37.07	62.69
Shareholders' Funds	41.68	43.79	44.77	46.37	51.02	51.90	47.60	49.70	56.27	78.55
Loan Funds	26.28	16.49	37.44	36.51	29.55	62.36	70.70	52.50	60.48	31.93
Total Capital Employed	67.97	60.27	82.20	82.89	80.57	114.26	118.30	102.20	116.75	110.48
Gross Block	82.46	85.04	99.61	103.32	123.75	145.14	197.50	200.70	212.08	244.92
Depreciation	28.36	35.80	44.85	54.45	65.03	75.80	87.90	100.30	112.83	126.97
Net Block	54.10	49.24	54.76	48.87	58.72	69.34	109.60	100.40	99.25	117.95
Preference Dividend	-	2.17	1.44	1.44	1.20	1.08	1.08	1.08	1.08	0.41
Equity Dividend	-	-	1.22	1.22	1.53	1.53	0.51	1.53	2.04	2.38
Rate of Dividend	-	-	12.00%	12.00%	15.00%	15.00%	5.00%	15.00%	20.00%	15.00%
No. of Shareholders	1,857	2,651	3,654	2,971	3,111	3,408	3,353	3,363	4,220	4,889
Earnings Per Share (Basic)	11.11	5.59	2.33	2.94	9.25	2.97	(3.62)	3.81	8.74	3.89

Automotive Stampings and Assemblies Limited

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of Automotive Stampings and Assemblies Limited will be held on Tuesday, the 17th day of July, 2012 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, 2012 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To confirm the dividend on the redeemed Preference shares.
3. To declare dividend on Equity shares.
4. To appoint a Director in place of Mr. L Lakshman who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Amitabha Mukhopadhyay 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. Ajay Tandon, 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

Mumbai, April 24, 2012

Registered Office:

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

NOTES

1. Explanatory Statement under section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the meeting is 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. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
4. Members are requested to bring their personal copy of the Annual Report to the Meeting.
5. 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.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from July 14, 2012 to July 17, 2012 (both days inclusive) for the purpose of payment of dividend to those Members, whose names stand in the Register of Members as on July 17, 2012. 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 13, 2012 as per the details furnished by the Depositories for this purpose.
7. The dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2012 will be payable on or after July 17, 2012 in accordance with the resolution to be passed by the Members of the Company.
8. 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 the National Electronic Clearing System (NECS). NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. The NECS 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.
9. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS 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.
10. Under section 205A of the Companies Act, 1956, the amount of the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India. Any person/ member who has not claimed the dividend in respect of the financial year ended March 31, 2005 or any year thereafter is requested to approach the Company/ Registrar and Transfer Agent of the Company for claiming the same.

Automotive Stampings and Assemblies Limited

It may please be noted that the unpaid/ unclaimed dividend for the financial year ended March 31, 2005 is due for transfer to the fund on July 5, 2012.

Members are requested to also note that pursuant to section 205C of the Companies Act, 1956, no claim shall lie against the Company or the aforesaid fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment.

11. Shareholders / investors may contact the Company on the designated E-mail ID: cs@autostampings.com for faster action from the Company's end.
12. The Company has paid the annual listing fee to the respective Stock Exchanges for the financial year 2012-13.
13. 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.

The Members are requested to refer the section on Clause 5A of the Listing Agreement w.r.t. Unclaimed Shares in Corporate Governance Report for further information in this behalf.

14. Continuing its efforts to increase Green Initiatives, the Company has already intimated its intention to send the Annual Report and Accounts, Notices and other documents to the Members through electronic mode. The amended Listing Agreement with the Stock Exchanges now requires the Company to send soft copies of the Annual Report and Accounts to Members who register their email address with the Company. The Members can register their email addresses with the Registrar & Transfer Agent of the Company. The registration by the Members will contribute towards furtherance of the 'Green Initiative in Corporate Governance' announced by the Ministry of Corporate Affairs, Government of India.

Explanatory Statement

The following Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, set out all material facts relating to the business mentioned at Item No. 7 in the accompanying Notice dated April 24, 2012.

ITEM NO. 7

The Board of Directors appointed Mr. Ajay Tandon as an Additional Director of the Company w. e. f. July 27, 2011. 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. Ajay Tandon for the office of Director.

A brief profile of Mr. Ajay Tandon is as under: -

Date of Birth and Age	January 7, 1959 - 53 Years
Qualification	Mr. Tandon holds a Bachelor of Technology degree from the Indian Institute of Technology, Madras and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.
Expertise in specific functional areas	Mr. Ajay Tandon is the President and Business Group Head of Tata AutoComp Systems Limited. He has over 30 years of experience in the industry.
Chairmanship / Directorship of other Indian companies, as on March 31, 2012	1. Tata Johnson Controls Automotive Limited- Director 2. Tata Ficosa Automotive Systems Limited- Chairman 3. ISRI TJC Automotive Seating Limited- Director 4. TACO Composites Limited- Director
Chairmanship / Membership of Committees of the Boards of other Indian companies of which he is a Director as on March 31, 2012	<u>Audit Committee:</u> 1. Tata Johnson Controls Automotive Limited- Member 2. Tata Ficosa Automotive Systems 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. Ajay Tandon is interested in the above Resolution.

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

Shailendra Dindore
Secretary

Mumbai, April 24, 2012

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

Automotive Stampings and Assemblies Limited

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Twenty Second Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2012.

FINANCIAL RESULTS

(Rs. in Crores)

Particulars	Financial Year	
	2011-12	2010-11
Total Revenue	571.73	531.90
Earnings before Depreciation, Financial Charges and Tax	29.31	33.88
Finance Cost	5.46	5.86
Depreciation and Amortization Expense	14.97	12.97
Profit before Tax	8.88	15.05
Tax Expense	2.91	4.88
Profit for the year	5.97	10.17

DIVIDEND

The Directors have paid dividend of Rs. 0.41 Crores (exclusive of dividend tax) on pro-rata basis on 90,00,000 12% Cumulative Redeemable Preference shares redeemed on August 17, 2011.

The Directors are pleased to recommend an equity dividend of 15% (Rs. 1.50 per share) for the year 2011-12. It would lead to an outflow of about Rs. 2.38 Crores (excluding dividend tax).

MANAGEMENT DISCUSSION AND ANALYSIS

INCOME STATEMENT

Revenue from Sale of Products increased by 7.62% during the year under review on the back of an increase in volumes of customer programmes being handled by the Company.

Other Operating Revenue mainly consists of income from job work, cash discount received and write back of provisions no longer required, which largely accounted for a 16.53% reduction in other operating revenue.

Other Income, which mainly consists of income from investment in mutual fund schemes, gain on exchange fluctuations and profit on sale of assets, decreased by 74.80%. The prime reason for this was a loss caused by exchange fluctuations in the year under review against a gain in the previous year.

Cost of materials consumed (including change in stock) as a percentage to sales increased by 0.97% mainly because of change in the product mix.

Employee benefit expense increased by 15.20% over previous year due to effect of pay revisions and addition of employees.

Other Expenses comprising Manufacturing Expenses, Administration and Selling Expenses increased by 3.38% due to increase in volume.

Earnings before Depreciation, Finance Costs and Tax decreased from Rs. 33.88 Crores to Rs. 29.31 Crores.

Finance costs decreased by 6.89% mainly on account of repayment of Term Loans and Inter Corporate Deposits.

Depreciation and amortization expense have increased in view of completion of expansion activities at Pantnagar Plant.

Profit after tax was consequently lower at Rs. 5.97 Crores (Rs. 10.17 Crores in previous year), a drop of 41.27% is on account of the above factors.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Automotive Industry comprising the automobile and the auto component sectors has made rapid strides since the de-licensing and de-regulation 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 Automotive Industry is one of the largest in the world and is one of the fastest growing industries globally. The Indian Auto Components Industry has kept pace with technological developments and is today catering not only to Original Equipment Manufacturers (OEMs) and Tier One (those who supply directly to OEMs) in India but abroad as well. Many Indian auto component makers have also succeeded in emerging as the supplier of choice to global auto majors.

The Company operates in Sheet Metal Components, Assemblies and Sub-assemblies segment of the Auto Components Industry. It manufactures a range of sheet metal components and assemblies for the Automotive Industry and is a Tier One auto components supplier.

OEMs and Tier One auto component suppliers are under pressure to improve on their competitiveness in order to survive in domestic as well as international markets with improved and compatible products in a market where demands are constantly changing.

OPPORTUNITIES AND THREATS

Domestic sales of Vehicles in India have attained new milestones every successive year with positive rapid surge in economic growth. This trend is unlikely to change as the per capita Car penetration with respect to India's population is low compared to other developing nations. As the fortunes of Auto Components Industry are linked to the Automotive Industry, this sector is expected to grow with a growing middle class population, rising disposable income levels and adequate availability of financing. These factors are likely to provide an ideal backdrop for a sustained long term demand growth for the Automotive Industry.

The profitability of Indian Auto Components Industry is likely to be under pressure due to (a) pricing pressures from OEMs, who themselves are entering a phase of heightened competitive intensity constraining their pricing flexibility; (b) threat of rising commodity prices; and (c) higher cost of funds.

SEGMENT-WISE PERFORMANCE

The Company operates only in the Automobile Component Segment. During the year under review, the Company's sales were solely in the Domestic Market.

FUTURE OUTLOOK

Strong demand from the OEM segment remains a key driver for the Auto Components Industry. While the global turmoil and tight liquidity conditions caused a major challenge to the Auto Components Industry, there are signs of a positive recovery. Although prospects of recovery of exports to developed markets remain uncertain as of now, the robust underlying domestic demand prevailing across automotive segments is expected to remain over the medium term.

Analysts expect the Sheet Metal Stamping Industry to grow with a double-digit CAGR in the medium term. Automotive OEMs in the country will continue to constitute majority of the demand. Increasing collaboration with auto component manufacturers to improve the design process in stampings is expected to support the growth of the industry. In addition, ability to provide efficiency benefits and innovation for reducing vehicle weight will be the key to sustenance for the Indian sheet metal component supplier. In terms of raw material cost, the price of steel, a key raw material, has a direct bearing on the selling prices, since raw material cost constitutes upto 78 per cent of Sales. However, most of the customers have an agreement to compensate the Stampings Industry for increase in the price of steel. We believe that the Sheet Metal industry will show a growth rate higher than that in the automotive industry as the former will have to contribute to vehicle weight reduction through innovative technologies.