

AUTO  LINE

15th Annual Report 2011

Concept Note

The layout depicts the **Styling, Design, Engineering, Tooling and Manufacturing** capabilities of the Company.

The vector layouts were placed to show the engineering portfolio of the Company with line drawings of a Clutch Pedal Assembly Part, High Deck Load Body and the Company's work for LCV Tippers.

A **SUV** is depicted to show **Strong Tracks of Manufacturing Aspect** of our Company as well as the capability to deliver any automotive related work from **Art to Part**; i.e. styling, engineering and manufacturing.

CHAKAN UNIT II PUNE



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

- Managing Director & CEO

Mr. Sudhir V. Mungase

- Whole Time Director

CA Vijay K. Thanawala

- Independent & Non – Executive Director

Prof. Abraham Koshy

- Independent & Non – Executive Director

Mr. Ajit B. Karnik

- Independent & Non – Executive Director

Cmde. N. Ravindranathan IN. (Retd.)

- Independent & Non – Executive Director

Mr. Rakesh R. Jhunjhunwala

- Non-Executive Director
(Resigned with effect from 10th August, 2011)

Mr. Amit K. Goela

- Additional Director
(Non-Executive) (Appointed with effect
from 10th August, 2011)

CA. Narayan G. Bhat

- Chief Financial Officer
(till 11th November, 2011)

CA. Ravindra E. Ketkar

- Chief Financial Officer
(with effect from 11th November, 2011)

Mr. Digambar C. Pargaonkar

- Chief Operating Officer (Operations)

Mr. Ashutosh B. Kulkarni

- Company Secretary

Gujar Rawat Sheth & Associates

Chartered Accountants, Pune.

- Auditors

Chandrakant G. Doshi & Co.,

Chartered Accountants, Pune

- Internal Auditors

REGISTERED OFFICE

S. Nos. 313, 314, 320 to 323 Nanekarwadi,
Chakan, Taluka- Khed, District- Pune 410501

BANKERS

1. Bank of Baroda
2. The Catholic Syrian Bank Ltd.
3. Axis Bank Ltd
4. Kotak Mahindra Bank Ltd.
5. Small Industries Development Bank of India
6. Citi Bank N.A.
7. NKGSB Co-op Bank Ltd.
8. Vidya Sahakari Bank Ltd

FACTORY/UNITS

- 1) S.No. 825, Kudalwadi, Post - Chikhali, Taluka -Haveli, Pune- 412 114.
- 2) T-135, MIDC, Bhosari, Pune – 411 026.
- 3) S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka -Khed, Dist-Pune- 410 501.
- 4) S. Nos. 313, 314,320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.
- 5) S. No. 613, Mahalunge, Chakan, Taluka- Khed, Dist - Pune- 410 501.
- 6) F-II, 24/25, MIDC, Pimpri, Pune- 411 018.
- 7) E-12-17 (7) & (8) , MIDC, Bhosari, Pune – 411 026.
- 8) Plot Nos. 5, 6 and 8 Sector 11,IIE, TML Vendor Park, SIDCUL, Pantnagar, Uttarakhand – 263 153.
- 9) 2/86, 7th Avenue, Ashok Nagar, Chennai – 600 083.

FOREIGN UNITS

- 1) DEP Autoline, INC.USA - 560 KirtsBlvd., Suite 103, Troy, Michigan – 48084, USA.
- 2) Autoline Industries USA, Inc - 100, Commerce Street, Butler, IN. 46721 USA.
- 3) Autoline Stampings Limited – 431 – 809 779, Gwanyang-dong, Dong-an-gu Anyang-si, Gysonggi-do, South Korea.
- 4) Koderat Investments Limited – P.O. Box 58184, 2nd Floor, Cassandra Centre, 29, Theklas Lyssioti Street, 3731, Limassol, Cyprus.
- 5) 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

15th ANNUAL GENERAL MEETING

Date : Friday, September 30, 2011

Time : 2.30 p.m.

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

KEY MANAGEMENT TEAM

Mr. Rajendra Dhas	Plant Head - Chakan - I
Mr. Shekhar Sharma	Plant Head - Chakan - II
Mr. Ganesh Avhad	Plant Head - Chakan - Iii
Mr. Manoj Bhaiswar	Plant Head - Bhosari - I
Mr. Avinash Patil	Plant Head - Bhosari - II
Mr. Yogesh Ghodekar	Plant Head - Bhosari - III
Mr. Rajeev Chawan	Plant Head - Bhosari - IV
Mr. Santosh Kasture	Plant Head - Kudalwadi
Mr. Sunil Sharma	Plant Head - Pantnagar, Uttrakhand
Mr. Rajendra Melkania	DGM -(HR & Admin) - Pantnagar, Uttrakhand
Mr. Satyanarayana Avindala	General Manager - Operations
Lt Col. Kapil Srivastava (Retd.)	General Manager - (HR & Admin)
Mr. Vijendra Bagade	DGM - Q.A.
Mr. G.V.Ranga Raju	DGM - Tool Room
Mr. Faiyaz Kashi	DGM - Development & Marketing
Mr. Satish Satpute	AGM- Material Pricing
Mr. Sanjeev Devadkar	AGM - Raw Material
Mr. Sanjay Chalke	AGM- Excise
Mr. Venkat Raghavan	AGM -Import & Export
Mr. Prabhakaran Menon	CEO, Autoline Design Software Ltd

AUTOLINE INDUSTRIES USA INC.

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

Go Green Today

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to shareholders. Members are requested to support this green initiative by updating their email addresses with the respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live.

Financial Highlights For Last Five Years (standalone)

(₹ in Million)

PARTICULARS	2010-11	2009-10	2008-09	2007-08	2006-07
Net Fixed Assets	2,937.05	2,282.49	2,048.85	1,567.02	877.48
Investment	834.17	874.94	856.22	606.02	58.05
Net Current Assets	294.61	324.03	300.28	421.27	459.54
Miscellaneous Expenditure	20.53	0.60	0.80	-	-
TOTAL ASSETS (NET)	4,086.36	3,482.06	3,206.15	2,594.31	1,395.07
Share Capital	122.05	122.05	122.05	109.55	103.67
Share Warrants	-	-	27.00	-	-
Reserves & Surplus	1,901.41	1,741.32	1,610.80	1,302.00	903.45
Secured Loan	1,667.11	1,167.69	870.34	769.55	288.56
Unsecured Loan	310.22	386.11	527.62	376.60	86.60
Deferred Tax Liability (Net)	85.57	64.89	48.34	36.62	12.79
TOTAL FUND EMPLOYED	4,086.36	3,482.06	3,206.15	2,594.31	1,395.07
INCOME					
Sales (Gross)	5,382.29	3,021.25	2,631.94	3,022.90	2,100.32
Less: Excise Duty	405.66	225.14	291.22	356.63	264.95
Sales (Net)	4,976.62	2,796.11	2,340.72	2,666.27	1,835.37
Other Income	14.87	29.97	18.66	11.62	1.50
Increase/ Decrease of Finished Goods	12.39	(0.37)	14.07	(12.02)	2.27
TOTAL INCOME	5,003.89	2,825.71	2,373.45	2,665.87	1,839.15
EXPENDITURE					
Raw Material/ Consumables and Others	3,253.40	1,765.23	1,576.63	1,748.60	1,214.38
Other Manufacturing Cost	705.73	446.31	402.24	393.84	292.65
Employment Cost	291.18	143.91	121.86	77.83	30.84
Administrative and Selling Cost & Others	151.76	90.26	54.21	57.47	45.03
Preliminary & Miscellaneous Expenses	5.25	0.20	0.20	-	0.65
Written off					
Investment Written off	0.50	-	-	-	-
Interest	183.23	101.91	71.68	45.26	22.11
Depreciation	147.74	104.75	84.19	43.22	28.45
PROFIT BEFORE TAX	265.11	173.14	62.44	299.65	205.05
TAX					
Income Tax	55.19	24.50	7.21	33.80	41.40
FBT	-	-	0.85	0.72	0.51
Deferred Tax Liability (Net)	9.30	13.50	8.68	20.78	12.79
PROFIT AFTER TAX	200.61	135.14	45.70	244.35	150.35
Balance Brought Forward	415.63	322.56	292.33	144.37	67.83
APPROPRIATIONS					
PROPOSED & DECLARED DIVIDENDS (including Dividend Distribution tax)	42.70	28.56	14.28	71.40	53.81
Amount transferred to General Reserve	21.00	13.50	1.20	25.00	20.00
BALANCE CARRIED TO BALANCE SHEET	552.55	415.64	322.55	292.33	144.37

₹ 10 Lacs = ₹ 1 Million

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A Curtain Raiser

VISION STATEMENT :

"To be an Innovation Driven, Global Leader in the Design, Engineering and Manufacturing of Automotive Mechanical Systems."

About the Company:

Your Company is a prominent Pune based leading auto components manufacturer and supplier to Original Equipment Manufacturers (OEMs) and Automobile companies with presence in the Domestic and International markets. Your Company has three business divisions namely Medium and Large Stamped Assemblies, Mechanical Assembly / Driver Control Systems and Concept, Styling, Designing, Analysis Application Software Services.

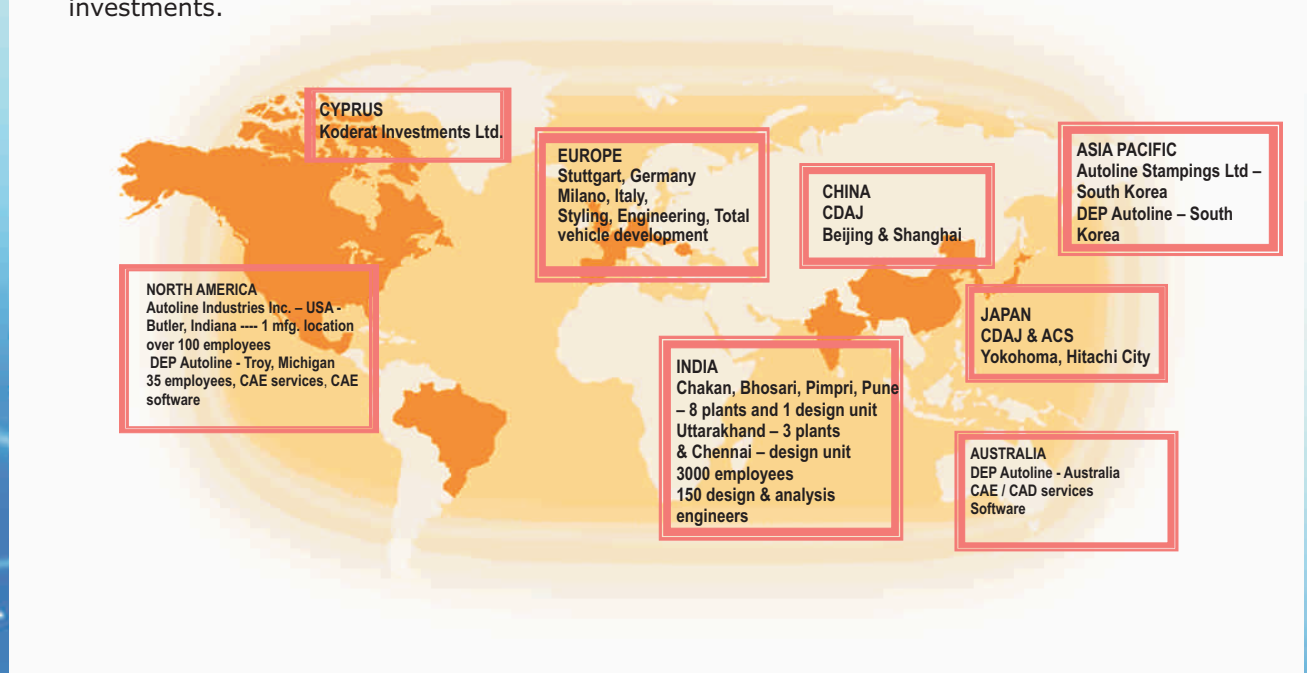
Today, with over 1,000 product offerings, your Company is able to cater to the requirements of varied category of vehicles like Passenger Vehicles (PVs), Sports Utility Vehicles (SUVs), Multi Utility Vehicles (MUVs), Light Commercial Vehicles (LCVs), Heavy Commercial Vehicles (HCVs) and other vehicles.

Key Business Highlights:

- Thirteen state of the art manufacturing facilities located in Pune, Uttarakhand, USA (Butler, Indiana State) and South Korea.
- Four Design Units in Pune, Chennai, Troy - Michigan, USA and Milan, Italy.
- State of the art Tool Room Facility at Chakan, Pune.
- Unique capability of offshore Designing and Manufacturing model.
- Diversified product range with a portfolio of over 1,000 products ranging from PVs, SUVs, MUVs, LCVs, HCVs etc.
- A strong Clientele – leading OEMs like - Tata Motors, Bajaj Auto, Force Motors, M&M, General Motors, Volkswagen, Ashok Leyland Nissan, Daimler India, Ford to name a few.

Subsidiaries:

1. Autoline Industrial Parks Ltd. (AIPL) – Engaged in the business of setting up and developing SEZs/industrial parks.
2. Autoline Design Software Ltd. (ADSL) – Provides end to end Engineering Solutions.
3. Autoline Industries.Inc. USA – Manufactures and supplies large, medium & small assemblies like automotive bottle jacks, scissor jacks and related products for automotive jack tool kits and Driver Control Modules, Parking Brakes etc.
4. Koderat Investments Limited– Wholly Owned Subsidiary based in Cyprus formed to undertake strategic investments.



The Journey

1995 -1998

- Set up the first manufacturing facility (Autoline Pressings) at Kudalwadi, Chikhali, Pune
- Obtained the Vendor Code for direct supplies to Bajaj Auto Ltd. and Tata Motors Ltd. (then TELCO)
- Converted Partnership Firm into a Private Limited Company (Autoline Stampings Pvt. Ltd)
- Expanded facilities at Kudalwadi, Pune
- Set up manufacturing facilities at Chakan, (unit I)Pune including a sophisticated Tool Room facility.
- Set up a manufacturing unit at T-135 MIDC, Bhosari, Pune

1999 - 2003

- Established CAD/CAM facilities with the latest software available for Tool Making at Chakan, Pune
- Imported latest state of the art CNC Machines for Tool Room facility at Chakan, Pune
- Took over Amogh Engineers and acquired Proprietary Brake Assembly Products business
- Took over smaller pressing companies (Tier II and III) locally supplying to Tata Motors Ltd with their Dies & Tools.

2004 -2007

- Single source supplier of Load Bodies for Tata Motors prestigious "ACE" Mini Truck
- Acquired 15 acres of land to set up a large manufacturing facility at Chakan, (Unit II) Pune.
- Acquired Western Pressing Pvt. Ltd. at F2 block MIDC, Bhosari, Pune with facilities for manufacturing tubular cross members and proprietary products like Silencers, Exhaust Systems etc..
- Acquired a 51% stake in Dimensions Engineering Software Services Pvt. Ltd. Pune, strengthening capabilities in Design Engineering Services.
- Made Initial Public Offering (IPO) and listed on BSE and NSE on January 31, 2007 .
- Acquired 51% stake in Detroit Engineering Products Inc., (DEP), Troy Michigan USA engaged in high end engineering design and analysis (CAE – Computer Aided Engineering)
- The Global Launch of Meshworks Morpher 4.0 proprietary software developed by DEP from Pune, India (Path breaking software which reduces vehicle development time by 90%)
- Acquired Nirmiti Autocomponents Private Ltd. at E-12, MIDC Bhosari, Pune, engaged in high end proprietary Driver Control Modules.
- Set up Autoline Industries USA, Inc. for 100% Acquisition of business and associated assets of Dura Automotive Systems, USA of their company at Butler, Indiana State USA

2008 - 2011

- Formed a Joint Venture, Autoline Industrial Parks Ltd. (AIPL), with Sharjah Cement & Industrial Development Co., UAE, for setting up and developing industrial parks.
- Acquired 100% stake in Koderat Investments Ltd., a Company incorporated and existing under the laws of Cyprus; acting as a Special Purpose Vehicle (SPV). Further "Koderat" acquired (49.0%) equity share capital of "SZ Design S.R.L.", and "Zagato S.R.L", Italian limited liability companies, Milan, Italy ("the Companies/Zagato"). Zagato" is a Milano-based Italian automotive design Company responsible for designing some of the most spectacular cars of the last century for companies such as Ferrari, Maserati, Bugatti, Bentley, Rolls Royce, Jaguar and Lamborghini etc.
- Set up additional manufacturing facility and commenced commercial production at Pantnagar, Uttarakhand in India.
- Set up additional manufacturing facility and commenced commercial production at Mahalunge (unit III) Chakan, Pune.
- Received new business orders from OEMs like - Volkswagen, Daimler India, Ashok Leyland – Nissan, General Motors etc.
- Received approval from Government of Maharashtra on June 23, 2011 for "Mega Project" status to the Chakan Project at Nanekarwadi, Chakan, Tal: Khed, Dist: Pune – 410 501, [a 'C' Zone' under the Package Scheme of Incentives (PSI) 2007] on the basis of an investment of Rs. 199.54 Crores and to provide employment to around 1,063 persons.

From the Chairman's Desk



Dear Stakeholder(s),

At the outset, I extend a warm welcome to all of you at the 15th Annual General Meeting of the Company. I am grateful to you for being present with us this afternoon. The Director's Report and the Audited Financial Statements of the Company for the year ended 31st March, 2011 are already with you and with your approval I shall take the same as read.

Autoline commenced its operations as a stamping and pressing company in the year 1996. Within a span of 15 years, we have established our presence across the entire automotive manufacturing value chain by offering styling, designing, conceptualizing services to both International as well as Domestic OEMs, engaged in manufacturing of medium and large assemblies as well as small assemblies.

The Auto Ancillary segment which is a derivative of the Auto Industry is poised to do well. The last FY has been positive for the Indian economy and also for Indian Automobile industry. The vehicle industry is expected to grow by 14-16%, the auto components industry will grow in line with this. According to industry experts, the Indian auto components industry will cross US \$ 100 billion mark by 2020, growing at a Compound Annual Growth Rate (CAGR) of 15%, while its share in the world is also likely to grow to over 3% by 2015-16. For the year 2011-12, the industry is expected to grow 12-15%. Not only domestic demand, but India is poised to scale new heights in terms of exports as well. Automotive Components Manufacturers Association of India (ACMA) expects exports to be worth \$ 29 billion by 2020-21, growing at a CAGR of 18-19%.

Chakan in Pune is now being developed as the automotive hub in Western India as also, Pantnagar, Uttarakhand and Gurgaon in Northern India. Your Company has a significant presence at Uttarakhand, Pantnagar and this diverse location across the country, with a focus on automotive manufacturing should stand us in good stead.

The Value Engineering expertise which your Company has developed by utilizing the in-house designing skills and R&D activities and development of an in-house state of the art Tool Room facility, places us ahead of the competitive curve. Our designing team's persistent efforts to innovate and re-design existing products for improved passenger safety have dual benefits. Firstly, it benefits the OEMs in terms of reduced cost structure and secondly, your Company, in terms of higher margins from proprietary products.

Though the economic environment had presented several challenges and continues to present challenges, the Company's sound business model and operational experience should help us take on the challenges upfront and overcome them only to emerge stronger. I am pleased to inform you that your Company has completed the year with sustained profitability, overcoming challenges on several fronts. The continued profitability of the Company is a reflection of its sound fundamentals, market resilience and successful implementation of market strategies that offset the cost increase and constrained market situation. I shall highlight some of the significant aspects of the Company's operations during the FY 2010-11.

On a consolidated basis our net sales from operations increased by 46 % on the back of growth in volumes. Operating EBIDTA grew by 33 % on account of good business traction, improved manufacturing efficiency and cost conscious approach. The financials have been arrived at after the full integration (amalgamation) of the Company's Wholly Owned Subsidiaries viz- Nirmiti Autocomponents Pvt. Ltd. and Western Pressing Ltd. and hence would not be directly comparable to those of the previous year. At the net profit level we witnessed a robust growth of 32 % mainly due to strong growth in the topline.

I am glad to inform that the Board of Directors has recommended a dividend of 30 percent as compared to 20 percent in the previous year 2010.

Looking ahead, our aggressive market strategies, launch of new products, recent price revisions and an ongoing cost compression exercise should provide us some more cushion in the event of continued inflationary pressures. Further, with Company's management team's long standing experience in the industry which is well supported by a dedicated team, your Company is headed to pursuit of higher growth levels.

I am glad to inform you that during the year, your Company commenced manufacturing operations at Plot No. 6 at Uttarakhand as planned. Implementation of this project will enable the Company to augment its capacities and improve profitability further. Your Company has proposed to expand its presence in the Southern part of India by setting up of a manufacturing facility in Dharwad, Karnataka, which is the next upcoming auto hub in India. An amount of approximately Rs.50 Crore has been earmarked for this project. This will facilitate spreading of our footprint across new geographies and lead us to more inclusive growth.

Despite the somewhat unstable prevalent economic conditions, your Company is optimistic of the long term growth prospects and capital investments are being made keeping in mind the huge growth potential. Further, the proximity to Chennai and Bangalore, the other core manufacturing areas of auto makers including international and domestic OEMs, enhances the growth potential for your Company.

Your Company through DEP Autoline USA Inc. launched the beta version of Meshwork Morpher 7.0 during the year which could prove to be a path breaking software. The biggest advantage for the OEMs would be in terms of reduced cycle time for product development and consequently, it would reduce costs. Resultantly, it will lead to better operating margins by virtue of its being a proprietary product.

Though we have ended fiscal 2010-11 on a positive note, an element of caution still needs to be maintained. Last two financial years have seen uneven recovery from the global financial crisis. Interest rates remained high and commodity prices have firmed up across the globe. The Euro Zone sovereign default crisis and economic growth concerns in the United States still linger on. The United Nations has recently warned that the world is on the brink of another recession and projected that the global economic growth will slow down further in 2012 and even emerging economies like India and China, which led the recovery last time would get adversely affected. Thus, FY 2011-12 could be a very challenging year for all players around the globe. The auto components companies could get caught in a scenario of high input cost pressures with declining demand from the OEMs.

However, India is relatively protected from the global downturn and expected to grow at faster pace. Further, the Indian Auto ancillary industry is one of the sunrise industries in India with high growth prospects. This industry is a crucial segment of the economy and has potential to develop as one of the major players in the world. Additionally, as India offers low cost manufacturing, there will be an inevitable increase in outsourcing opportunities. We, at Autoline are confident of sailing smoothly through turbulence, if any, on account of our cost conscious approach as also consistent focus on product innovation and quality enhancement and we are confident of emerging stronger. With growing importance of India as a manufacturing auto hub globally, robust investment plans of OEMs and in-house designing capabilities developed by your Company, it should be meeting its commitment of ensuring the highest quality and timely delivery to our customers. Your Company is confident of achieving the desired results, cope up with emerging challenges and capitalize on available opportunities.

I must say that a large measure of credit for the performance of the Company goes to our dedicated and talented employees whose unwavering commitment to deliver on the promises made to customers, fuels our growth. I look forward to your continued support in strengthening your Company's position.

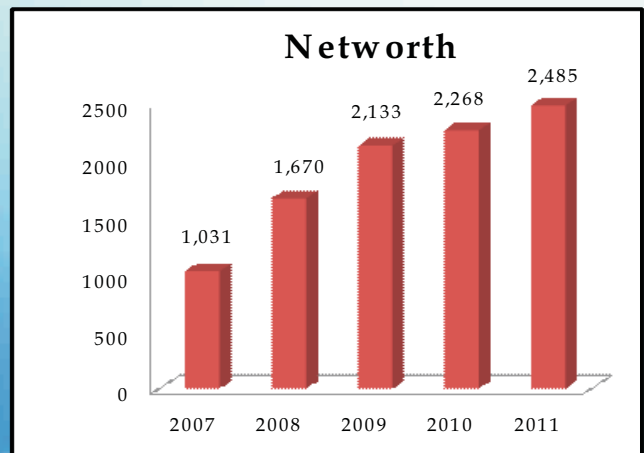
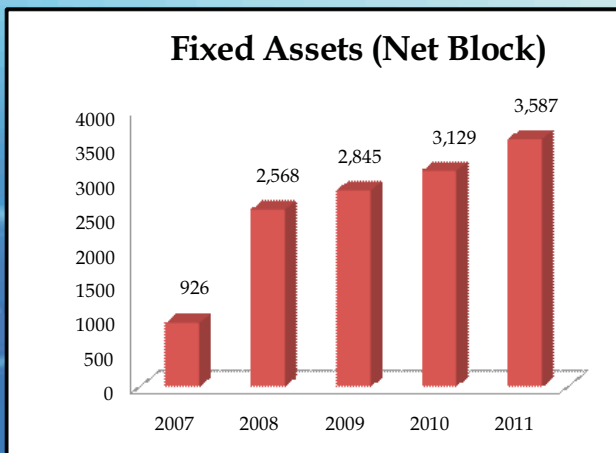
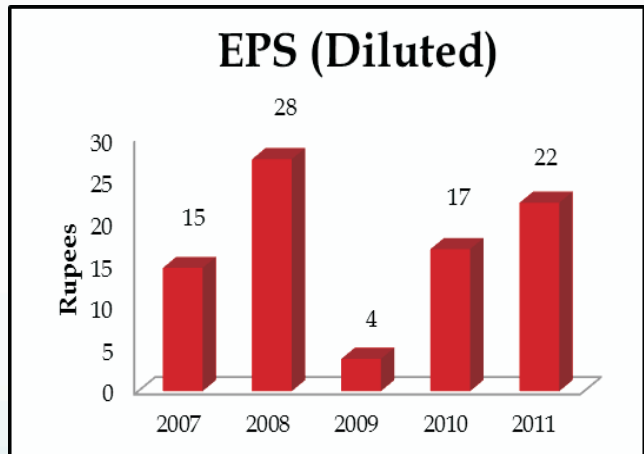
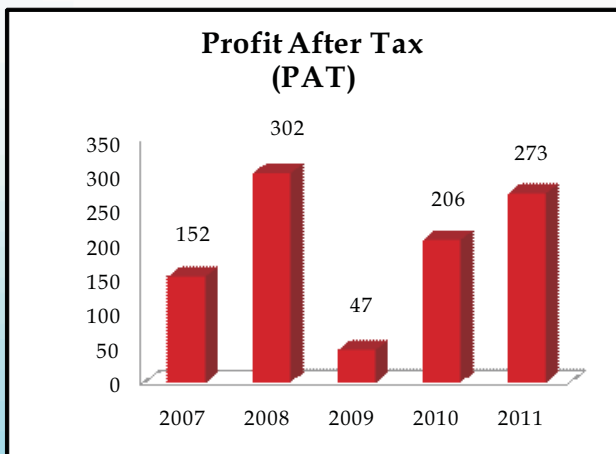
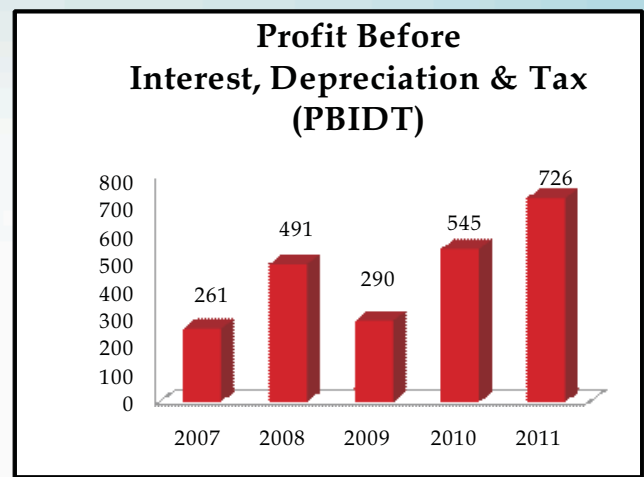
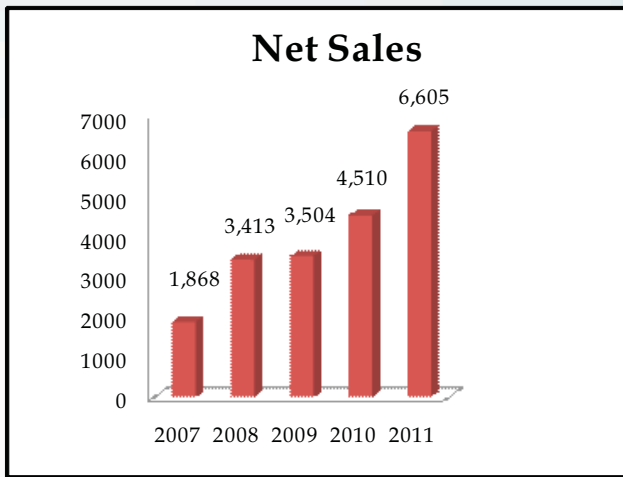
Finally, I take this opportunity to thank all the stakeholders, business associates, bankers, financial institutions, government authorities, channel partners, all the subsidiaries of Autoline and other constituents for their valuable and continued support. I express my profound gratitude to all of you for the steadfast confidence you have reposed in the Company.

P. B. Nimbalkar

Chairman

30th November, 2011

Financial Snapshot (consolidated) for Last Five Years
- ₹ in Millions Except EPS Data



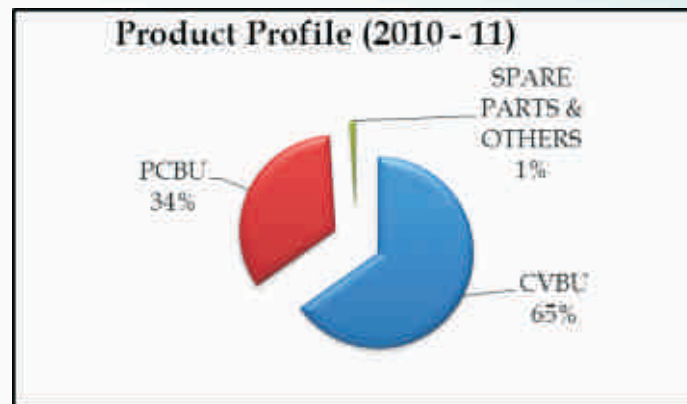
Beyond the Numbers



Mr. Akhade ,Mr. Radhakrishnan, Managing Directors & Mr. Sudhir Mungase,Wholetime Director throw light on the Key Positives of the Company that go Beyond the Numbers:

Diversified Product Range

Autoline Industries, through its organic and inorganic initiatives has been able to grow in terms of product offerings and now has over 1,000 products in its portfolio. Your Company provides certain critical products like Foot Control Modules, Exhaust Systems, Silencers, Jack Assemblies, Hinge Assemblies and Brake Assemblies which find application in PVs, CVs and other vehicles.



Presence in Fast Growing Automotive Industry

The cumulative investments in the Indian automobile industry are expected to reach USD 30 billion during 2011 – 12 period. This is justified by the growing size of the Indian passenger vehicle segment which is expected to be nearly 9 million units by 2020. The automobile industry is projected to grow by 11 to 13 per cent in the fiscal year ending in March 2012. Other factors which are favorable for the rapid growth in the automotive sector is urbanization of the new middle class, rise in income levels, easy availability of finance and GDP growth with rise in industrial and agricultural output. (**Source : SIAM, ACMA**). With the current expansion plans and established track record of quality and timely delivery, your Company is well on its way to capitalize on the opportunity, in a segment where market penetration remains low.

Building Trust through a Client Centric Focus

On account of persistent efforts by your company in delivering the highest quality of products to clients consistently, the Company is now being recognized as a preferred auto components manufacturer and supplier. Your Company has graduated to being a Tier 0.5 Company from a Tier 3.0 Company earlier.

This reflects the trust that clients place on your Company and its capabilities to innovate in terms of existing products. By being a Tier 0.5 Company now, your Company is entrenched in the manufacturing process of customers from end to end stages of product development, innovation and manufacturing.

Your Company's business activities are primarily focused on customizing the product and delivering as per client specification for quality, efficiency, delivery and cost competitiveness. Further, your

Company also constantly innovates on the existing products so as to enable OEMs to improve efficiency of the auto components and thereby rationalize costs. **The ISO/TS-16949 certification for the manufacturing facilities is another example of your Company's commitment to meet international standards and commitment towards exceeding client expectations.**

This essentially has resulted in strengthening your Company's relationships with existing clients which are domestic OEMs like Tata Motors, Mahindra & Mahindra to name a few. Your Company is now preferred auto components manufacturers and suppliers to many international OEMs like General Motors, Volkswagen, Daimler and Nissan, being some of them thereby diversifying customer base with 30% of revenues coming from companies other than Tata Motors.

The Design Team endeavors to undertake product innovation on a consistent basis resulting in additional projects with Tata Motors and OEMs underlining your Company's commitment to strengthen client relationships along with diversification of business.

Art-to-Part Service Provider



Post the IPO in 2007; your Company undertook inorganic initiatives to diversify its business model from just being a stamping and pressing Company to one which provides end to end solutions including conceptualizing, styling, designing, proto-typing, tooling and mass manufacturing. This has aided the Company to remain well entrenched with both its domestic and international clients.

DEP Autoline, USA, the global engineering arm of your Company is a consulting and software product development Company. "Meshwork" the path breaking product is designed to reduce the overall product development cycle for the OEMs, both international as well as domestic. To cite an example, the recent version Meshworks 7.0 being developed will result in tremendous cost savings for OEMs towards product development. Also, at DEP, your Company is able to focus on high end full vehicle engineering solutions through a suite of proprietary software tool kits and products.

Autoline Design Software Ltd. (ADSL) provides end to end engineering solutions by providing designing, tooling and manufacturing services to OEMs by continuously improving on the product design, tooling and re-engineering to augment manufacturing efficiency.

Value Engineering

Over the years, your Company has been able to diversify its business model by foraying into designing. We have therefore been able to constantly undertake product development using our strong in-house R&D and designing capabilities mainly aimed at passenger safety, a key for OEMs. Further, because of Company's well established R&D and Tool Room facilities and the patents Company own, your Company can develop high margin Proprietary Products thereby adding muscle to our operational performance.

With an able designing team, your Company was able to successfully reduce the weight of the Load Body from the initial 102.3 kilograms to 90.40 kilograms a reduction of 13.2 per cent. Resultantly, this led to optimization of resources and bringing in cost efficiency for customers which also led to R&D Team to take up more such projects thereby fortifying your Company's designing and R&D capabilities.

Proximity to OEMs

Besides low labour costs in India, process-engineering expertise, re-designing of production processes, development of in-house research and development facilities, has resulted in reducing manufacturing costs of components for OEMs and has enabled India to become an outsourcing hub for several global automobile manufacturers. Resultantly, as International OEMs like Volkswagen, Mercedes Benz, General Motors set up their manufacturing bases in Chakan and other auto hubs in India, there is a high probability of huge value unlocking.

Further, keeping this in mind, your Company is on the cusp of capitalizing these opportunities as it already have three manufacturing bases located in Chakan, Pune where international and domestic OEMs have made huge investments to set up plants to cater to the growing domestic market by making investments to the tune of Rs. 10,000 crore.

Expansion Strategy

Your Company already has a strong presence in Western and Northern India with thirteen manufacturing facilities. The next step as is envisaged would be to expand its operations in Dharwad in Southern India and ensure improvement of the quality and efficiency of the services and products to OEMs in Southern India which too has immense growth potential. This will bring about robustness to business model and ensure a Pan-India presence for your company.

As testimony to the expansion strategy, your Company commenced operations in Uttarakhand Plot No. 6 during October, 2011 as planned and are committed to repeat the same at upcoming auto hubs like Dharwad.

Diversification of Revenue Model

Due to concerted efforts and foresight of the management, your Company is now hopeful of increasing the focus on development in the engineering segment (Tool Engineering & Die Development) which will lead to increase in product offering resulting in improved performance at the topline as well as bottomline level. Further, having invested in developing an in-house state of the art Tool Room and R&D facility, over 60,000 sq.foot space, there is tremendous scope to expand operating margins as it can optimize its production ability and achieve the benefits of economies of scale. Consequently, this will result in margin expansion.

Owned Land

Your Company has 51.12 per cent stake in Autoline Industrial Parks Limited, a joint venture formed with UAE based Sharjah Cement & Industrial Development Co (SCIDC). This company has procured about 110 acres of land in Chakan an upcoming auto hub in the western region. The land is located in the heart of industrial activity in Chakan's auto hub as manufacturing bases of OEMs like Volkswagen, Hyundai, Mercedes Benz, Mahindra & Mahindra, General Motors and other multinational companies are located within a radius of two kilometers from this site. As the industry is picking up in a big way, your Company should be able to capitalize on this opportunity at an opportune time either by sale or by joint development. This could result in unlocking value for your Company going forward.

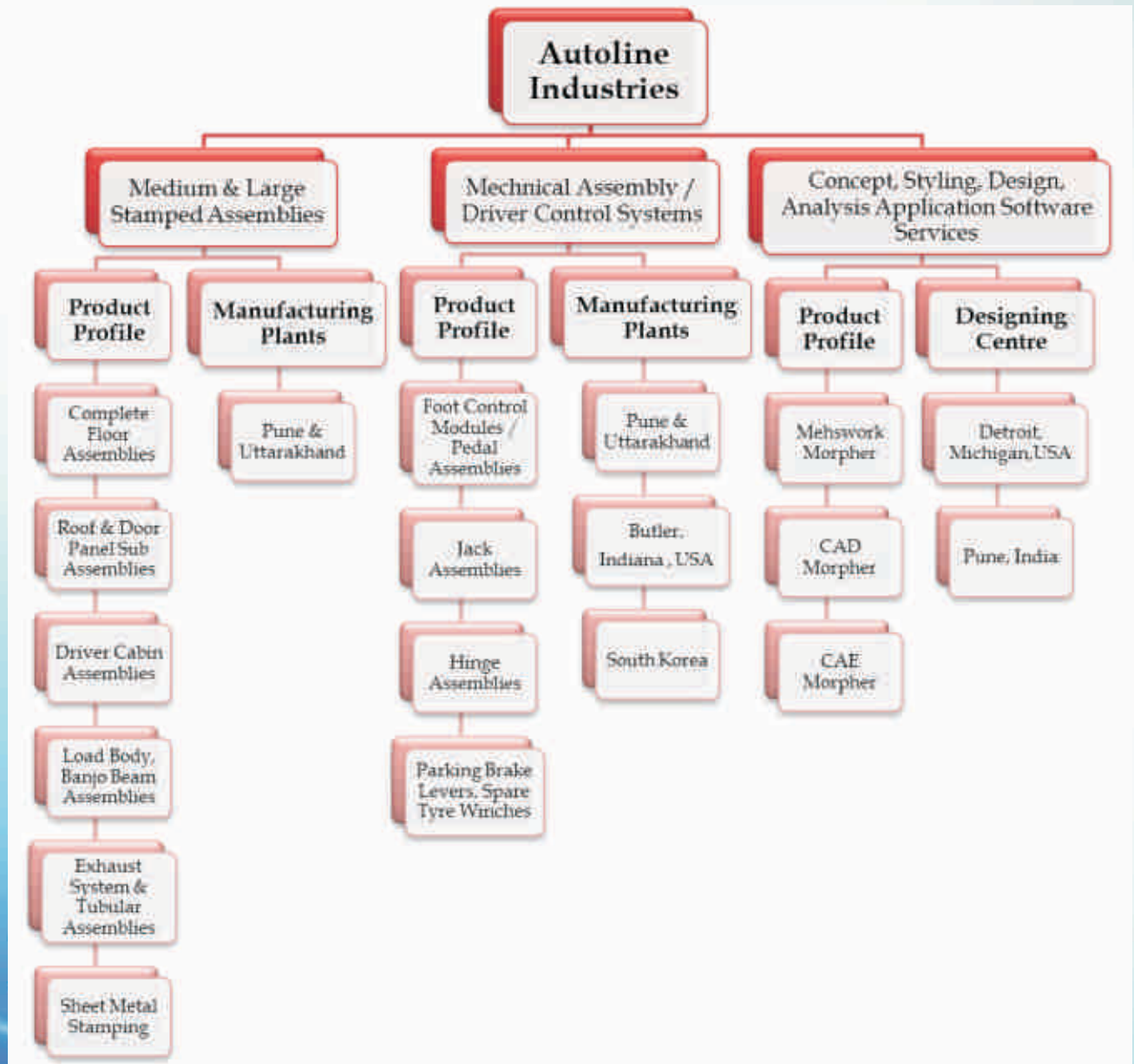
Strong Management Team

Your Company has been spearheaded by a strong management team comprising enterprising entrepreneurs, technology professionals and experts with vast industry experience from large corporate houses. They bring to the table their diverse experience and at the same time equip the company with exhaustive skill sets.

Key Offerings

Autoline Industries Limited (AIL) was incorporated in the year 1996 in Pune initially as Autoline Stampings Private Ltd.

The products which are manufactured across our thirteen manufacturing facilities located in Pune, Uttarakhand, USA, South Korea and styling and designing centres in Pune, Chennai, USA and Italy develop various auto components and parts like sheet metal components for Passenger Vehicles (PVs), Sports Utility Vehicles (SUVs), Multi Utility Vehicles (MUVs), Commercial Vehicles (CVs) and other vehicles.



Virtual Tour of Manufacturing Plants / Units

S. Nos. 291 to 295, Nanekarwadi, Chakan, Pune.



S. Nos. 313 / 314, Nanekarwadi, Chakan, Pune.



S. No. 613, Mahalunge, Chakan, Pune.



T-135, MIDC, Bhosari, Pune



E-12-17 (8), MIDC, Bhosari, Pune



E-12-17 (7), MIDC, Bhosari, Pune



F-II, 24/25 MIDC, Pimpri, Pune



S.No. 825, Kudalwadi, Post Chikhali, Pune



DEP Autoline Inc., USA - 560 Kirts Blvd., Suite 103, Troy, Michigan, USA

SZ Design, SRL, Milan, Italy



Plot No. 5, Sector 11,IIE, SIDCUL, Pantnagar, Uttarakhand



Plot No. 6, Sector 11,IIE, SIDCUL, Pantnagar, Uttarakhand



Plot No. 8, Sector 11,IIE, SIDCUL, Pantnagar, Uttarakhand



Autoline Industries USA, Inc :100, Commerce Street, Butler, IN. USA



Autoline Stampings Limited, Gwanyang-dong, Gysonggi-do, South Korea (Leased Premises)



Autoline Design Software Limited, Bhosari, Pune



Nuvent Technologies Pvt. Limited, Chennai



Recognition of Excellence

2008

- The Company received Best performance award for excellence in cost effectiveness in sheet metal business at National Vendor meet of Tata Motors Limited, 2008

2010

- General Motors Supplier of the year award to Autoline Industries, USA INC. in recognition of its performance in brake and clutch pedal product line.
- Tata Motors Limited awarded Certificate for "Continuous Improvement in the performance" addressing quality issues under Vendor Council Initiative of Leveraging Vendor Performance During November 28, 2010 to December 10, 2010
- Tata Motors Limited ranked Chakan Plant -1 as number one in sheet Metal family and 4th in all PCBU supplier, 2010
- Company has been awarded for the "Excellent Performance" in Sealing, Stamping & Fabrication Supplier for the Year 2010 by Cummins Inc, ABO

2011

- Tata Motors Limited awarded Nirmiti Autocomponents Private Limited (Wholly Owned Subsidiary) as a second source for " NANO CAR - JACK ASSEMBLY "- February 22, 2011.
- Company has been awarded "Excellence in Cost Efficiency- 2010-11" & "Growth with quality" by Tata Motors Limited



NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of Members of Autoline Industries Limited will be held on **Friday, 30th December, 2011** at **2.30 p.m.** at Survey Nos. 291 to 295, Nanekarwadi, Chakan, Taluka-Khed, Dist. Pune 410 501, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the financial year ended 31st March, 2011 together with Reports of the Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the year ended 31st March, 2011;
3. To appoint a Director in place of Mr. Ajit B. Karnik, who is liable to retire by rotation;
4. To appoint a Director in place of Cmde. N. Ravindranathan IN (Retd.), who is liable to retire by rotation;
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT Mr. Amit K. Goela who was appointed by the Board of Directors as an Additional Director of the Company with effect from 10th August, 2011, and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation”

7. **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 198, 269, 309, & 310 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for the re-appointment of Mr. Shivaji T. Akhade as a Managing Director, for a period of five years commencing from 1st October, 2011 to 30th September, 2016 and on the terms and conditions as set out in the agreement to be entered into between the Company and Mr. Shivaji T. Akhade, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force as may be agreed to between the Board of Directors and Mr. Shivaji T. Akhade.

RESOLVED FURTHER THAT consent of the members be and is hereby given for payment of remuneration ₹ 5,00,000/- per month to Mr. Shivaji T. Akhade, Managing Director for the period starting from 1st October, 2011 to 30th September 2014 within the limits specified in Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT wherein in any financial year, during the currency of his appointment, if the Company has adequate profits, the Board of Directors or Committee thereof of the Company be and is hereby authorized to pay the additional remuneration being an amount over and above ₹ 60,00,000/- per annum or ₹ 5,00,000/- per month but within the overall entitlements of 10% of net profits by way of salary, perquisites, commission and any other allowances to Mr. Shivaji T. Akhade, Managing Director subject to the provisions of Section 309(3) of the said Act.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, wherein in any financial year, during the currency of his appointment, if the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Shivaji T. Akhade, Managing Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of ₹ 48,00,000/- per annum or ₹ 4,00,000/- per month and shall be governed by and be subject to the provisions contained in Section II of Part II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid draft Agreement between the Company and Mr. Shivaji T. Akhade be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

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

8. 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 198, 269, 309, & 310 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for the re-appointment of Mr. M. Radhakrishnan as a Managing Director, for a period of five years commencing from 1st October, 2011 to 30th September, 2016 and on the terms and conditions as set out in the agreement to be entered into between the Company and Mr. M. Radhakrishnan, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force as may be agreed to between the Board of Directors and Mr. M. Radhakrishnan.

RESOLVED FURTHER THAT consent of the members be and is hereby given for payment of remuneration ₹ 5,00,000/- per month to Mr. M. Radhakrishnan, Managing Director for the period starting from 1st October, 2011 to 30th September 2014 within the limits specified in Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT wherein in any financial year, during the currency of his appointment, if the Company has adequate profits, the Board of Directors or Committee thereof of the Company be and is hereby authorized to pay the additional remuneration being an amount over and above ₹ 60,00,000/- per annum or ₹ 5,00,000/- per month but within the overall entitlements of 10% of net profits by way of salary, perquisites, commission and any other allowances to Mr. M. Radhakrishnan, Managing Director subject to the provisions of Section 309(3) of the said Act.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, wherein in any financial year, during the currency of his appointment, if the Company has no profits or its profits are inadequate, the remuneration payable to Mr. M. Radhakrishnan, Managing Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of ₹ 48,00,000/- per annum or ₹ 4,00,000/- per month and shall be governed by and be subject to the provisions contained in Section II of Part II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid draft Agreement between the Company and Mr. M. Radhakrishnan be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

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

9. 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 198, 269, 309, & 310 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for the re-appointment of Mr. Sudhir V. Mungase, as a Whole time Director, for a period of five years commencing from 1st October, 2011 to 30th September, 2016 and on the terms and conditions as set out in the agreement to be entered into between the Company and Mr. Sudhir Mungase, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force as may be agreed to between the Board of Directors and Mr. Sudhir V. Mungase.

RESOLVED FURTHER THAT consent of the members be and is hereby accorded for payment of remuneration of ₹ 5,00,000/- per month to Mr. Sudhir V. Mungase, Whole time Director for the period starting from 1st October, 2011 to 30th September 2014 within the limits specified in Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT wherein in any financial year, during the currency of his appointment, if the Company has adequate profits, the Board of Directors or Committee thereof of the Company be and is hereby authorized to pay the additional remuneration being an amount over and above ₹ 60,00,000/- per annum or ₹ 5,00,000/- per

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month but within the overall entitlements of 10% of net profits by way of salary, perquisites, commission and any other allowances to Mr. Sudhir Mungase, Whole time Director subject to the provisions of Section 309(3) of the said Act.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, wherein in any financial year, during the currency of his appointment, if the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Sudhir V. Mungase, Wholetime Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of ₹ 48,00,000/- per annum or ₹ 4,00,000/- per month and shall be governed by and be subject to the provisions contained in Section II of Part II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid draft Agreement between the Company and Mr. Sudhir Mungase be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution”.

10. 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 314 read with Director’s Relative (Office or Place of Profit) Rules, 2011 as amended and other applicable provisions, if any, of the Companies Act, 1956 or any other law for the time being in force, the consent of the members be and is hereby accorded for appointment of Mr. Rajiv Radhakrishnan, relative (son) of Mr. M. Radhakrishnan, Managing Director of the Company, to hold office with Autoline Industries Inc. USA, (a Wholly Owned Subsidiary Company of Autoline Industries Limited, hereinafter referred to as “AI USA”) or any of its step down subsidiary Company, w. e. f. 4th October, 2010, on a gross remuneration of US \$ 150,000 per annum or equivalent amount in any other currency with such annual increments as may be decided by the Board of Directors/ respective employer.

“RESOLVED FURTHER THAT the Board of Directors/ respective employer be and is hereby authorized to increase the gross remuneration payable to Mr. Rajiv Radhakrishnan, in such manner and on such terms and conditions as may be decided by the Board of Directors / respective employer, provided such increased remuneration shall not exceed US\$ 2,50,000 per annum or equivalent amount in any other currency.

RESOLVED FURTHER THAT in addition to the above remuneration, Mr. Rajiv Radhakrishnan would also be eligible for grant of stock options as per the terms of the respective stock option scheme of the Company for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company (which expression shall also include a duly constituted Committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution.”

By Order of the Board of Directors

Place : Pune
Date : 30th November, 2011

(Ashutosh Kulkarni)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. The Company had sought approval from the Registrar of Companies, Pune vide its letter dated 16th August, 2011 for holding ensuing Annual General Meeting till 31st December, 2011 to give effect to the amalgamation of its two Wholly Owned Subsidiaries namely Nirmiti AutoComponents Private Limited & Western Pressing Limited with the Company.
3. Proxies submitted on behalf of limited companies, societies, bodies corporate etc. must be supported by appropriate resolution or authority as applicable.

4. Annual Report of the Company is also available on the Company's website at [www. autolineind.com](http://www.autolineind.com).
5. The Company is concerned with environment and utilizes natural resources in a sustainable way. Recently the Ministry of Corporate Affairs (MCA), Government of India through its circular Nos. 17/2011 and 18/2011 dated April 21st April, 2011 and 29th April, 2011 respectively, has allowed the companies to send official documents to their shareholders electronically as a part of green initiatives in corporate governance. The Company recognizes the spirit of the circular and henceforth propose to send documents like notice convening general meeting, Directors' report, Auditors' report etc. to the email address provided by you to the depositories. We request you to update your email address depository participant to ensure that the annual report and other documents reach you on your preferred email.
6. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at the meeting and details under Clause 49 of the Listing Agreement with Stock Exchange(s) in respect of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are annexed hereto. Brief resume of Directors, proposed to be appointed/re-appointed, nature of their expertise in specific functional area, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholdings and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
7. In terms of Article 97 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Ajit B. Karnik and Cmde. N. Ravindranathan IN. (Retd.) Directors of the Company retire by rotation at the ensuing Annual General Meeting.
8. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 24th December, 2011 to Friday, 30th December, 2011 (both days inclusive).
9. Members holding shares in Dematerialised form are requested to intimate any change in their address, bank details, ECS Mandates, nominations, power of attorney, names etc. to their respective Depositories Participants and those holding shares in physical forms are requested to intimate the above said changes to the Company's Registrar and Share Transfer Agents, (R&T Agents) LINK INTIME INDIA PVT. LTD., Block No. 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune 411001.
10. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialised mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agents.
11. Members are requested to quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all correspondence.
12. Members/ Proxies are requested to bring Annual Report and attendance slip duly filled in.
13. Members holding shares in multiple folios in the identical order of names are requested to consolidate their holdings into one folio and intimate the same to our R&T Agents.
14. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary at least ten days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
15. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 30th December, 2011 to those persons or their mandate :
 - a) Whose names appear as Beneficial Owners as at the end of the business hours on Saturday, 24th December, 2011 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - b) Whose names appear as members in the register of members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ Registrar and Share Transfer Agents on or before Saturday, 24th December, 2011.
16. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the 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 Agents.

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17. Documents referred to in any of the items of the notice are available for inspection at the registered office of the Company upto 30th December, 2011 on all working days, except Thursdays, during business hours of the Company.
18. Unclaimed Dividends :

The dividends which remain unclaimed/ un-encashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund, constituted by the Central Government under Section 205(A) and 205(C) of the Companies Act, 1956.

The details of dividend paid by the Company and their respective due dates of the proposed transfer to such Fund of the Central Government if they remain un-encashed are as under:

Date of declaration of dividend	Date of dividend warrant	Dividend for the year	Dividend Rs. Per share	Due date of the proposed transfer to the Central Government
16.02.2005(Interim)	16.02.2005	2004-05	0.50	15/02/2012
30.01.2006(Interim)	31.01.2006	2005-06	1.00	29/01/2013
27.09.2006	18.10.2006	2005-06	0.80	26/09/2013
21.02.2007(Interim)	16.03.2007	2006-07	2.50	20/02/2014
01.09.2007	13.09.2007	2006-07	2.00	30/08/2014
27.09.2008	13.10.2008	2007-08	5.00	26.09.2015
25.09.2009	05.10.2009	2008-09	1.00	24.09.2016
24.09.2010	05.10.2010	2009-10	2.00	23.09.2017

It may please be noted that no claim will lie from a member once the transfer is made to the credit of Investor Education and Protection Fund of the Central Government, under the amended provisions of Section 205(C) of the Companies Act, 1956.

In view of the above regulation, the shareholders are advised to send the un-encashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

**By Order of the Board of Directors
For AUTOLINE INDUSTRIES LIMITED**

**Place : Pune
Date : 30th November, 2011**

**ASHUTOSH KULKARNI
COMPANY SECRETARY**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956 AND CLAUSE 49 OF LISTING AGREEMENT

ITEM NO. 6

At the Board Meeting held on 10th August, 2011 Mr. Amit Kishankumar Goela was appointed as an Additional Director of the Company and shall hold office upto the date of the ensuing Annual General Meeting.

A brief resume of Mr. Amit Kishankumar Goela and the nature of his expertise in specific functional areas and names of Companies in which he holds Directorships are given below:

Name	Mr. Amit Kishankumar Goela
Date of Birth	2nd February, 1965
Expertise in specific functional areas	Partner at RARE Enterprises and has 20 years of experience in Capital Markets.
Qualification	B.COM, MBA.
Directorship in other companies	<ol style="list-style-type: none"> 1. Rare Equity Private Limited (earlier known as Marganta Textiles Private Limited). 2. Race Ahead Properties Private Limited. 3. Roshni Agencies Private Limited.
Committee membership/ Chairmanship held across public companies	Nil.
Shares held in the Company and percentage to the paid up capital	<p>1,25,000 equity shares</p> <p>1.02% of the total paid up capital of the Company</p>

The Company has received notice under Section 257 of the Companies Act, 1956 for appointment of Mr. Amit Kishankumar Goela as a Director of the Company.

Mr. Amit Kishankumar Goela is not disqualified from being appointed as Director under Section 274 of the Companies Act, 1956.

The Board commends passing of the resolution as an Ordinary Resolution as set out in Item No. 6 of the accompanying notice.

Except Mr. Amit Kishankumar Goela, none of the Directors of the Company are any way concerned or interested in the above resolution.

ITEM NO. 7

Mr. Shivaji T. Akhade's present 5-years term of office expired on 30th September, 2011.

Mr. Akhade has been in office as a Managing Director since inception of the Company. During his tenure, the Company has made considerable progress in all the spheres and has since acquired good name and reputation in the business.

The Board confidently feels that the Company should continue to avail the services of Mr. Shivaji Akhade as he is a very able and experienced person. The Board of Directors of the Company at its meeting held on 10th August, 2011 on recommendations of the Remuneration Committee has considered it fit to re-appoint Mr. Shivaji T. Akhade as the Managing Director of the Company for a further period of 5 years with effect from 1st October, 2011, subject to the approval of members at the ensuing Annual General Meeting.

Remuneration proposed to be paid to Mr. Akhade is within the limits of schedule XIII. The Directors therefore recommend passing of relevant Special Resolution as mentioned in Item No. 7 of the notice.

On recommendation of Remuneration Committee, the Board at its meeting held on 10th August, 2011 approved the terms of re-appointment of Mr. Shivaji T. Akhade as Managing Director with effect from 1st October, 2011, inter alia, on the following terms:

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i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October 2011 to 30th September 2016. (b) Period for which remuneration is being decided – For the period commencing from 1st October 2011 to 30th September, 2014.

ii) **Nature of duties:**

Mr. Shivaji T. Akhade shall, subject to the supervision and control of the Board, be entrusted with substantial powers of Management and shall also perform such duties as, from time to time, be entrusted to him and the business of any one or more of its subsidiary and/or associate companies, including performing duties as requested by the Board from time to time, by serving on the Boards of such companies or by any other executive body or any committee of such a Company.

iii) **A. Remuneration:** Proposed Salary ₹ 5,00,000/- per month or ₹ 60,00,000 per annum (up to ceiling limits of 10% of net profits in terms of provisions of Section 309 of the Companies Act, 1956 at the discretion of the Board) with annual increments effective as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time for the period commencing from 1st October 2011 to 30th September 2016.

B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Shivaji T. Akhade, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified in Schedule XIII, in such case the remuneration payable shall not exceed the ceiling limit of ₹ 48,00,000/- per annum or ₹ 4,00,000/- per month

The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended from time to time.

iv) The terms and conditions of appointment with Mr. Shivaji Akhade also include clauses pertaining to adherence with the Autoline's Code of Conduct, including no conflict of interest with the Company, maintenance of confidentiality.

v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amount payable to Mr. Shivaji T. Akhade, in accordance with the provisions of the Companies Act, 1956 or any amendments made hereafter in this regard and subject to such approvals as may be required.

vi) This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice.

vii) If and when any appointment comes to an end for any reason whatsoever, Mr. Shivaji T. Akhade will cease to be the Managing Director, as the case may be. If at any time, Mr. Shivaji T. Akhade ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director, as the case may be, and the appointment shall forthwith terminate. In compliance with the provisions of Sections 309, 310, 311 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

This may be treated as an abstract under the provisions of Section 302 of the Companies Act, 1956 between the Company and Mr. Akhade required to be circulated to the members.

The Board commend passing of the said resolution as a Special Resolution.

Except Mr. Shivaji T. Akhade, none of the Directors of the Company are in any way concerned or interested in Item No. 7 of the Notice.

STATEMENT PURSUANT TO SECTION II OF PART II (B) (iv) OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS UNDER:

SR. NO.	PARTICULARS	DETAILS
I	GENERAL INFORMATION	
	1) Nature of Industry.	Automobile.
	2) Date or expected date of commencement of Commercial production.	Commercial Production already commenced.
	3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable.
	4) Financial performance based on given Indicators.	Turnover for 2010-11: ₹ 5382.29 Millions Profit After Tax – ₹ 200.61 Millions.
	5) Export performance and net foreign exchange collaborations.	₹ 36.63 Millions for 2010-11 Collaborations - NIL.
	6) Foreign investments or collaborators, if any.	As on 30th September, 2011 Foreign Investments by <ol style="list-style-type: none"> 1. Foreign Nationals - holding 11,163 equity shares – 0.09% of the total paid up capital of the Company 2. Foreign Institutional Investors- holding 1,40,000 equity shares – 1.15% of the total paid up capital of the Company 3. Foreign Corporate Bodies - 178,151 equity shares 1.46% of the total paid up capital of the Company
II	INFORMATION ABOUT THE APPOINTEE.	Mr. Shivaji T. Akhade.
	1) Background details.	Mr. Shivaji Tukaram Akhade, aged 45 years, is a commerce graduate having long and varied experience in trading as well as manufacturing. Co-founder, Promoter and appointed as Managing Director since inception of the Company.
	2) Past remuneration.	₹ 5,00,000/- p.m. or ₹ 60,00,000 p.a.
	3) Recognition or awards.	'Pimpri Chinchwad Udyog Bhushan Purskar' from Annasaheb Magar Foundation.
	4) Job profile and his suitability.	Mr. Akhade has been providing the vision and the direction to the Company since inception. Professionals have been recruited from the Automobile Industry for working in the various functional areas. Mr. Akhade is fully conversant with the technicalities of the production and other processes as a result of his expertise in the early days of the firm, when he himself looked after all the functions.
	5) Remuneration proposed.	₹ 5,00,000/- p.m. or ₹ 60,00,000/- p.a. In addition to above remuneration, the Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other allowances within an overall ceiling limit of 10% of Net Profit computed under Section 349 and 350 of the

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		Companies Act, 1956. In case the profits are not adequate, then remuneration payable will be limited to ₹ 4,00,000/- per month or ₹ 48,00,000/- per annum and shall be governed by and be subject to the provisions contained in Part II of Schedule XIII to the Companies Act, 1956.
	6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin).	Commensurate with the nature of industry and size of the Company and its business.
	7) Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any.	Promoter, Shareholder and holding 6,33,681 equity shares – 5.19% of total paid up capital of the Company. Relationship with Managerial personnel- Mr. Sudhir V. Mungase is Mr. Shivaji T. Akhade's wife's brother.
III	OTHER INFORMATION	
	1) Reason of loss or inadequate profits.	In case of any unforeseen downturn in economy in general and auto sector in particular, resulting into inadequacy of profits, the limits prescribed under Section II of Part II of Schedule XIII will be adhered to.
	2) Steps taken or proposed to be taken for Improvement.	The Company has taken / will take necessary steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to its customer base and maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms.	With the Correction of global recessionary trends in 2009-10, auto sector is expected to grow at much faster rate.

ITEM NO. 8.

Mr. M. Radhakrishnan's present 5-years term of office expired on 30th September, 2011.

During his tenure, the Company has made considerable progress in all the spheres and has since acquired good name and reputation in the business.

The Board confidently feels that the Company should continue to avail the services of Mr. M. Radhakrishnan as he is a very able and experienced person. The Board of Directors of the Company at its meeting held on 10th August, 2011 on recommendations of the Remuneration Committee has considered it fit to re-appoint Mr. M. Radhakrishnan as the Managing Director of the Company for a further period of 5 years with effect from 1st October, 2011, subject to the approval of members at the ensuing Annual General Meeting.

Remuneration proposed to be paid to Mr. M. Radhakrishnan is within the limits of schedule XIII. The Directors therefore recommend passing of relevant Special Resolution as mentioned in Item No. 8 of the notice.

On recommendation of Remuneration Committee, the Board at its meeting held on 10th August, 2011 approved the terms of re-appointment of Mr. M. Radhakrishnan as Managing Director with effect from 1st October, 2011, inter alia, on the following terms:

i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October, 2011 to 30th September, 2016. (b) Period for which remuneration is being decided – For the period commencing from 1st October 2011 to 30th September, 2014.

ii) **Nature of duties:**

Mr. M. Radhakrishnan shall, subject to the supervision and control of the Board, be entrusted with substantial powers of Management and shall also perform such duties as, from time to time, be entrusted to him and the business of any one or more of its subsidiary and/or associate companies, including performing duties as requested by the Board from time to time, by serving on the Boards of such companies or by any other executive body or any committee of such a Company.

iii) **A. Remuneration:** Proposed Salary ₹ 5,00,000/- per month or ₹ 60,00,000/- per annum (up to the ceiling limits of 10% of net profits in terms of provisions of Section 309 of the Companies Act, 1956 at the discretion of the Board)) with annual increments effective as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time for the period commencing from 1st October, 2011 to 30th September, 2016.

B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. M. Radhakrishnan, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified in Schedule XIII, in such case the remuneration payable shall not exceed the ceiling limit of ₹ 48,00,000/- per annum or ₹ 4,00,000/- per month.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended from time to time.

- iv) The terms and conditions of appointment of Mr. M. Radhakrishnan also include clauses pertaining to adherence with the Autoline's Code of Conduct, including no conflict of interest with the Company, maintenance of confidentiality.
- v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amounts payable to Mr. M. Radhakrishnan, in accordance with the provision of the Companies Act, 1956 or any amendments made hereafter in this regard and subject to such approvals as may be required.
- vi) This appointment may be terminated by either party by giving to the other party six months notice of such termination or the Company paying six months remuneration in lieu of the Notice.
- vii) If and when any appointment comes to an end for any reason whatsoever, Mr. M. Radhakrishnan will cease to be the Managing Director, as the case may be. If at any time, Mr. M. Radhakrishnan ceases to be a Director of the Company for any cause whatsoever, he shall cease to be Managing Director, as the case may be, and the appointment shall forthwith terminate. In compliance with the provisions of Sections 309, 310, 311 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

This may be treated as an abstract under the provisions of Section 302 of the Companies Act, 1956 between the Company and Mr. M. Radhakrishnan, required to be circulated to the members.

The Board commend passing of the said resolution as a Special Resolution.

Except Mr. M. Radhakrishnan, none of the Directors of the Company are in any way concerned or interested in Item No. 8 of the Notice.

STATEMENT PURSUANT TO SECTION II OF PART II (B) (iv) OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS UNDER:

SR. NO.	PARTICULARS	DETAILS
I	GENERAL INFORMATION	
	1) Nature of Industry.	Automobile.
	2) Date or expected date of commencement of Commercial production.	Commercial Production already commenced.
	3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable.
	4) Financial performance based on given Indicators.	Turnover for 2010-11: ₹ 5382.29 Millions Profit After Tax – ₹ 200.61 Millions.
	5) Export performance and net foreign exchange collaborations.	₹ 36.63 Millions for 2010-11 Collaborations - NIL.
	6) Foreign investments or collaborators, if any.	As on 30th September, 2011 Foreign Investments by 1. Foreign Nationals - holding 11,163 equity shares – 0.09% of the total paid up capital of the Company

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		<p>2. Foreign Institutional Investors- holding 1,40,000 equity shares – 1.15% of the total paid up capital of the Company</p> <p>3. Foreign Corporate Bodies - 178,151 equity shares 1.46% of the total paid up capital of the Company</p>
II	INFORMATION ABOUT THE APPOINTEE.	Mr. M. Radhakrishnan
	1) Background details.	Mr. M. Radhakrishnan aged 57 years is Co-founder, Promoter & was appointed as Executive Director of the Company from 03rd September, 2001. He was reappointed as Jt. Managing Director w. e. f. 4th August, 2006. Mr. M. Radhakrishnan has done B.Sc. (Stat), LLB, DBM and CAIIB and has experience of around 31 years in the field of Development Banking and Finance in IDBI/ SIDBI and in areas of Entrepreneurship development, strategic planning & management.
	2) Past remuneration.	₹ 5,00,000/- p.m. or ₹ 60,00,000 p.a.
	3) Recognition or awards.	<p>a) 'Best Entrepreneurial Banker Award' for 1996-97 by Entrepreneurs International.</p> <p>b) 'Business Excellence Award' from Rotary Club of Chinchwad, Pune in 2008-09.</p> <p>c) "Emerging Global Business Award" for the year 2009 from World Malayalee Council, Pune Province</p>
	4) Job profile and his suitability.	Managing Director. Oversees Strategic Planning, Financial, Secretarial, Legal and HR functions of the Company.
	5) Remuneration proposed.	₹ 5,00,000/- p.m. or ₹ 60,00,000/- p.a. In addition to above remuneration, the Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other allowances within an overall ceiling limit of 10% of Net Profit computed under Section 349 and 350 of the Companies Act, 1956. In case the profits are not adequate, then remuneration payable will be limited to ₹ 4,00,000/- per month or ₹ 48,00,000/- per annum and shall be governed by and be subject to the provisions contained in Part II of Schedule XIII to the Companies Act, 1956.
	6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin).	Commensurate with the nature of industry and size of the Company and its business.
	7) Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any.	Promoter, Shareholder and holding 1,09,953 equity shares – 0.90% of total paid up capital of the Company. Wife - Mrs. Rema Radhakrishnan - Promoter and holding 6,64,717 equity shares – 5.45 % of total paid up capital of the Company.
III	OTHER INFORMATION	
	1) Reason of loss or inadequate profits.	In case of any unforeseen downturn in economy in general and auto sector in particular, resulting into inadequacy of profits, the limits prescribed under Section II of Part II of Schedule XIII will be adhered to.

		<p>2) Steps taken or proposed to be taken for Improvement. The Company has taken / will take necessary steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to its customer base and maximize capacity utilization with least cost etc.</p> <p>3) Expected increase in productivity and profits in measurable terms. With the correction of global recessionary trends in 2009-10, auto sector is expected to grow at much faster rate.</p>
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ITEM NO. 9

Mr. Sudhir V. Mungase's present 5-years term of office expired on 30th September, 2011.

Mr. Mungase has been in office as Whole time Director since inception of the Company. During his tenure, the Company has made considerable progress in all the spheres and has since acquired good name and reputation in the business.

The Board confidently feels that the Company should continue to avail the services of Mr. Sudhir V. Mungase as he is a very able and experienced person. The Board of Directors of the Company at its meeting held on 10th August, 2011 on recommendations of the Remuneration Committee has considered it fit to re-appoint Mr. Sudhir V. Mungase as the Wholetime Director of the Company for a further period of 5 years with effect from 1st October, 2011, subject to the approval of members at the ensuing Annual General Meeting.

Remuneration proposed to be paid to Mr. Mungase is within the limits of schedule XIII. The Directors therefore recommend passing of relevant Special Resolution as mentioned in Item No. 9 of the notice.

On recommendation of Remuneration Committee, the Board at its meeting held on 10th August, 2011 approved the terms of re-appointment of Mr. Sudhir V. Mungase as Wholetime Director with effect from 1st October, 2011, inter- alia, on the following terms:

i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October 2011 to 30th September 2016. (b) Period for which remuneration is being decided – For the period commencing from 1st October 2011 to 30th September, 2014.

ii) **Nature of duties:**

Mr. Sudhir V. Mungase shall devote his whole time and attention to the business of the Company and shall also perform such duties as, from time to time, be entrusted to him and the business of any one or more of its subsidiary and/or associate companies, including performing duties as requested by the Board from time to time, by serving on the Boards of such companies or by any other executive body or any committee of such a Company.

iii) **A. Remuneration:** Proposed Salary ₹ 5,00,000/- per month or ₹ 60,00,000 per annum (up to ceiling limits of 10% of net profits in terms of provisions of Section 309 of the Companies Act, 1956 at the discretion of the Board) with annual increments effective as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time for the period commencing from 1st October 2011 to 30th September 2016.

B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Sudhir V. Mungase, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified in Schedule XIII, in such case the remuneration payable shall not exceed the ceiling limit of ₹ 48,00,000/- per annum or ₹ 4,00,000/- per month.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended from time to time.

iv) The terms and conditions of appointment with Mr. Sudhir Mungase also include clauses pertaining to adherence with the Autoline's Code of Conduct, including no conflict of interest with the Company, maintenance of confidentiality.

v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amount payable to Mr. Sudhir V. Mungase, in accordance with the provision of the Companies Act, 1956 or any amendments made hereafter in this regard and subject to such approvals as may be required.

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- vi) This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice.
- vii) If and when any appointment comes to an end for any reason whatsoever, Mr. Sudhir V. Mungase will cease to be the Wholetime Director, as the case may be. If at any time, Mr. Sudhir V. Mungase ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Wholetime Director, as the case may be, and the appointment shall forthwith terminate. In compliance with the provisions of Sections 309, 310, 311 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

This may be treated as an abstract under the provisions of Section 302 of the Companies Act, 1956 between the Company and Mr. Mungase required to be circulated to the members.

The Board commend passing of the said resolution as a Special Resolution.

Except Mr. Sudhir V. Mungase, none of the Directors of the Company are in any way concerned or interested in Item No. 9 of the Notice.

STATEMENT PURSUANT TO SECTION II OF PART II (B) (iv) OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS UNDER:

SR. NO.	PARTICULARS	DETAILS
I	GENERAL INFORMATION	
	1) Nature of Industry.	Automobile.
	2) Date or expected date of commencement of Commercial production.	Commercial Production already commenced.
	3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable.
	4) Financial performance based on given Indicators.	Turnover for 2010-11: ₹ 5382.29 Millions Profit After Tax – ₹ 200.61 Million.
	5) Export performance and net foreign exchange collaborations.	₹ 36.63 Millions for 2010-11 Collaborations - NIL.
	6) Foreign investments or collaborators, if any.	As on 30th September, 2011 Foreign Investments by 1. Foreign Nationals - holding 11,163 equity shares - 0.09% of total paid up capital of the Company. 2. Foreign Institutional Investors- holding 1,40,000 equity shares - 1.15% of total paid up capital of the Company. 3. Foreign Corporate Bodies - holding 178,151 equity shares - 1.46% of total paid up capital of the Company.
II	INFORMATION ABOUT THE APPOINTEE.	Mr. Sudhir Mungase
	1) Background details.	Mr. Sudhir V. Mungase aged 36 years is Co-founder, Promoter & Wholetime Director of the Company since inception. He was reappointed Wholetime Director w.e.f. 4th August, 2006.
	2) Past remuneration.	₹ 5,00,000/- p.m. or ₹ 60,00,000 p.a.
	3) Recognition or awards.	Not Applicable
	4) Job profile and his suitability.	Wholetime Director. Associated with manufacturing and maintenance operations in the Company since inception. He has acquired expertise in Sheet Metal and Allied Operations. He oversees the production and maintenance functions.

	5) Remuneration proposed.	Rs.5,00,000/- p.m. or Rs. 60,00,000/- p.a. In addition to above remuneration, the Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other allowances within an overall ceiling limit of 10% of Net Profit computed under Section 349 and 350 of the Companies Act, 1956. In case the profits are not adequate, then remuneration payable will be limited to Rs. 4,00,000/- per month or Rs. 48,00,000/- per annum and shall be governed by and be subject to the provisions contained in Part II of Schedule XIII to the Companies Act, 1956.
	6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin).	Commensurate with the nature of industry and size of the Company and its business.
	7) Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any.	Promoter, Shareholder and holding 6,00,958 equity shares – 4.92% of total paid up capital of the Company. Relationship with Managerial personnel- Brother in Law of Mr. Shivaji T. Akhade.
III	OTHER INFORMATION	
	1) Reason of loss or inadequate profits.	In case of any unforeseen downturn in economy in general and auto sector in particular, resulting into inadequacy of profits, the limits prescribed under Section II of Part II of Schedule XIII will be adhered to.
	2) Steps taken or proposed to be taken for Improvement.	The Company has taken / will take necessary steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to its customer base and maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms.	With the correction of global recessionary trends in 2009-10, auto sector is expected to grow at much faster rate.

ITEM NO. 10

The members are aware that Autoline Industries Limited ("the Company") has floated a Wholly Owned Subsidiary Company having its automobile manufacturing operations in USA through Autoline Industries USA Inc. (a Wholly Owned Subsidiary Company of Autoline Industries Limited, hereinafter referred to as "AI USA"). The normal operations will continue to be managed by the management of the respective Company.

Mr. Rajiv Radhakrishnan is holding office or place of profit with AI USA with effect from 4th October, 2010 on a gross remuneration of US \$ 150,000 per annum or equivalent amount in any other currency with such annual increments as may be decided by the Board of Directors provided the gross remuneration payable to Mr. Rajiv Radhakrishnan shall not exceed US\$ 2,50,000/- per annum.

Since Mr. Rajiv Radhakrishnan is a relative (son) of Mr. M. Radhakrishnan, Managing Director of Autoline Industries Limited, his appointment requires approval of the shareholders by way of Special Resolution in General Meeting pursuant to the provisions of Section 314 of the Companies Act 1956.

Mr. Rajiv Radhakrishnan possesses a Bachelor of Engineering from Pune University, India, MS from Northeastern University Boston, USA and several years of experience working at large corporations in the US prior to his appointment at AI USA. He will assist AI USA's management and will be accountable for contributing effectively to the corporate management authorities, obligations and commercial planning. He will also oversee & enhance the current technology implementation and identify new technologies that may augment business growth. The individual shall, subject to the supervision and control of the Board also performs such duties as, from time to time, be entrusted to him.

It is clarified that Mr. Rajiv Radhakrishnan is not presently a Director of AI USA, whose Board has approved his appointment but may be elevated to the Board or equivalent position, in future either in AI USA or any of the companies in which he is an employee. The Board recommends the resolution as set out in Item No. 10 for approval of the shareholders as a Special Resolution.

Except Mr. M. Radhakrishnan, none of the other directors of the Company is in any way, concerned or interested in this resolution except as members of the Company.

**By order of the board
For Autoline Industries Limited**

Place : Pune
Date : 30th November, 2011.

**Ashutosh Kulkarni
Company Secretary**

DIRECTORS' REPORT

(Including Management Discussion and Analysis Report)

Dear Member(s),

Your Directors are pleased to present their 15th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2011.

FINANCIAL RESULTS:

The financial highlights for the year under review compared to the previous financial year are given below:

(₹ in Millions except EPS data)

PARTICULARS	Standalone		Consolidated	
	31.03.2011*	31.03.2010	31.03.2011*	31.03.2010
Income	5382.29	3021.25	7011.58	4747.46
EBIDTA	596.07	379.82	726.12	545.01
Less Interest & Financing Costs	183.23	101.92	185.46	110.08
Less Depreciation	147.74	104.75	186.64	168.28
Profit Before Tax	265.10	173.13	354.01	266.66
Provision for Tax	64.49	38.00	71.95	49.69
Profit After Tax but before deducting minority interest (PAT)	200.61	135.13	282.06	216.97
Less : Minority Interest	—	—	8.67	11.00
Profit Attributable to group	—	—	273.39	205.97
Earnings per Share (Basic) (in ₹)	16.44	11.07	22.40	16.88
Earnings per Share (Weighted Average) (in ₹)	16.44	11.07	22.40	16.88

*The figures mentioned above are not comparable with previous year figures as the same have been prepared after considering the effect of amalgamation with the Wholly Owned Subsidiary companies i.e. Western Pressing Limited & Nirmiti AutoComponents Private Limited.

DIVIDEND:

The Board of Directors has recommended a dividend of ₹ 3 per equity share (30%) amounting to ₹ 42.70 Millions including Dividend Distribution tax, (Previous Year ₹ 2.00 per equity share (20%) amounting to ₹ 28.56 Millions including Dividend Distribution tax.)

PERFORMANCE REVIEW (CONSOLIDATED BASIS):

- Sales increased by 47.67% from ₹ 4748 Millions to ₹ 7011.58 Millions.
- Net sales (net of excise duty) increased by 46.47 % from ₹ 4510 Millions to ₹ 6605.92 Millions.
- Operating EBIDTA (Earnings Before Interest, Taxes, Depreciation and Amortization) increased by 33.23% from ₹ 545 Millions to ₹ 726.12 Millions.
- Profit Before Tax (PBT) increased by 33.09 % from ₹ 266 Millions to ₹ 354.01 Millions.
- Profit After Tax (PAT) increased by 30 % from ₹ 216.97 Millions to ₹ 282.06 Millions.

OVERVIEW OF PROGRESS AT VARIOUS PLANTS:

A) Manufacturing facility at Chakan Unit II – Nanekarwadi, Chakan, India:

This particular plant has large press capacity varying from 400 Ton to 2000 Ton inclusive of 2 nos. 1000 Ton Double Action Press machines. During the financial year under review, your Company has installed 2 nos. 400 Ton presses to cater requirements of new projects. The total No. of presses installed in this plant are 13. Your Company has also set up a separate Die Maintenance area alongwith additional die washing facility and additional EOT Crane to meet the quality requirements of OEMs and increase in number of Large Dies.

During the year under review, your Company has been awarded business from Mahindra Navistar Automotives Ltd. (Mahindra) in the first phase for supply of press parts/assemblies required for its Commercial Vehicles. In the second phase, Mahindra will be awarding business for their other new upcoming models of vehicles. The business expected is approximately ₹ 120 Crores per annum starting from the Financial Year 2012-13. Your Company has already commissioned an Assembly line for Mahindra by adding various equipments and Spot Welding Guns.

Your Company has further commissioned a new Welding Assembly Line for Y – 1 project of Tata Motors Ltd (TML) for its Medium Commercial Vehicles. Try out assemblies have been produced from this line. Various other projects like Safari Merlin project, Xenon Euro 5 Project, Army Ambulance Project, Mudguard Project etc. are also under development.

This particular plant is engaged in manufacturing of various sheet metal components alongwith Major Assembly lines for Structure Assembly, Door Assembly, Door outers, Roof Tops, Floors and other Aesthetic items etc. for various models of Tata Motors-. Winger, ARIA, for Light Commercial Vehicles, Safari and various assemblies for Mahindra vehicles.

TOOL ROOM:

The State of the Art Tool Room is equipped with the best facilities for manufacturing various sheet metal large dies upto 4.5 Meters of world class quality along with in-house design facilities. Considering the business available in hand for tool manufacturing, your Company has manufactured various tools for domestic and international OEMs like – Tata Motors Ltd., General Motors- India, Bajaj Auto Limited, Diamler India, FIAT India Pvt. Ltd, Cummins USA, American Axle Manufacturing, Volkswagen, Ashok Leyland – Nissan etc.

During this period, the tooling orders which were executed were valued at approximately ₹ 90 Millions.

B) Manufacturing facility at Chakan Unit III– Mahalunge – Chakan, India :

This unit manufactures Silencers, Tubular Cross Members, Exhaust Systems from Engine to Tailpipe for e.g. - Front Tube with Bellows, Middle Tube, Muffler, Pre-Silencer, Post- Silencer, Main Silencer, Tail Pipe etc. for Heavy Commercial Vehicles (HCVs), Light Commercial Vehicles (LCVs) as well as Passenger Cars and mainly supplies to Tata Motors Limited. This unit also manufactures Radiator tubes, CAC inlet & outlet tubes etc. which are supplied to Asian Motors Works Ltd. Structural Assembly as well as Press Components for TATA MARCOPOLO Buses for their Dharwad (Karnataka) Plant is also supplied from this location. It also manufactures required jigs, fixtures & small dies etc. and is technically equipped and has capability of designing and modification in products to suit customer requirements with Base Coat for painting. This unit has separate painting Booth for painting exhaust systems and structural Assembly etc.

C) i) Manufacturing facility at Plot Nos. 5 & 8, Rudrapur –Uttarakhand, India:

Your Company has already set up manufacturing facilities located at Plot Nos. 5 & 8, Sector 11, IIE, Rudrapur, SIDCUL, Uttarakhand which manufactures various sheet metal components and Welded Assemblies. Major Assemblies being Ace Load Body, Assembly Front Door inner – Ace 0.75 ton & Super Ace, ZIP, IRIS, Panel Front Door Outer – Ace 0.75 ton & Super Ace, Assembly Front wall - Super Ace & Venture, Sub frame Assembly – Venture, Load Floor Assembly –ZIP, Hinges – Ace Family etc.

These units supply to Tata Motors Ltd. for domestic as well as export vehicles i.e. Ace (0.75 Ton) , Ace Magic, Super Ace, Venture, Magic IRIS, Ace ZIP etc. and is expected to take care of the large volume growth at Uttarakhand. Further these units supply Assembly Axle Beam for Ace - 0.75 ton and 1 ton to American Axles, Utrrakhand and cater to various requirements of Tata Motors Ltd and its Tier One Suppliers at Utrrakhand.

At Plot No. 8, your Company have installed the press shop which consists of 9 large presses ranging from 400 tons to 1200 tons and 13 medium presses ranging from 60 tons to 350 tons. The Capacity utilization of these presses is around 75%. (with operating efficiency of 85%).

In April, 2011, Plot No. 5 commenced the production of IRIS and ZIP Vehicles with 150 vehicles per month and have achieved a daily production level of 200 per day as on date and having capacity of ramping upto 300 vehicles per day, as per customer requirement by the end of this year.

Your Company has also been invited by Tata Motors Ltd. to manufacture high deck load body for its Tata Ace, which was designed & developed by our Wholly Owned Subsidiary Company – Autoline Design Software Limited. The said design has been approved by Tata Motors Ltd and protobuilds have been submitted for its evaluation.

ii) Manufacturing facility at Plot No. 6 Rudrapur –Uttarakhand, India:

Further, considering the increase in volume of regular supplies and addition of new business at Uttarakhand, your Company has set up manufacturing facility at Plot No. 6, Sector 11, IIE, Rudrapur, SIDCUL, Uttarakhand which started its operations in the month of October, 2011. The Company has installed a small press shop and a welding set up to cater to the additional Press Part requirements and Welding Assembly requirements as per requirements of OEMs, mainly Tata Motors Ltd.

D) Setting up manufacturing facility at Plot No. E-12-17 (7), MIDC, Bhosari, Pune – 411 026:

Your Company is in the process of setting up additional manufacturing facility at Plot No. E-12-17 (7), MIDC, Bhosari, Pune (Adjacent to Plot No. E-12-17 (8), MIDC, Bhosari, Pune). The Construction was started from January,

2011 and will be completed by end of November, 2011. The Company proposes to start its production for Volkswagen, Daimler and other OEMs. The press line of 6 Presses with capacity from 63 Ton to 350 Ton has been installed, as well as 5 Ton overhead crane & 200 CFM compressor have also been installed. Two assemblies will be set up for Volkswagen (i.e. ASM Pedal Cluster Brake/ETC & ASM Pedal Cluster Clutch) and four assemblies for Daimler (i.e. Clutch for 9 Ton, Clutch for 12 Ton, Cab Stay & Cab Tilt for 9 Ton & 12 Ton).

E) Manufacturing facility at Plot No. E-12-17 (8), MIDC, Bhosari, Pune – 411 026: (formerly known as Nirmiti Autocomponents Pvt. Ltd.):

This world class facility manufactures & supplies Pedal Control Systems (Foot Control Mounting), Parking Brake, Door Hinges, Mechanical Jacks and other Small Mechanical Assemblies to domestic and International OEMs like Tata Motors Ltd., General Motors India & Korea, Volkswagen India, Daimler India Commercial vehicles (Bharat Benz) and Ashok Leyland – Nissan etc. This facility has been certified EMS 14001, OHSAS 18001 and TS 16949 and comply with highest and stringent quality standards of the international OEMs. In-addition, this facility has also been qualified for General Motor's QSB and Volkswagen's formal "Q" Certification. This facility is equipped with a dedicated state of the art testing facility required for validating the safety of the critical product range which are being manufactured at this plant. This facility exports the GM Mini pedal systems to Korea as a part of GM global supply as single source with 'O' PPM for pedal systems.

New assemblies introduced during the year under scrutiny:

1. Ashok Leyland-Nissan "Dost" pedal system (BC pedal) & "Dost" hinge assembly.
2. General Motor's M300 Beat diesel pedal system, General Motor's M200 Spark pedal system.
3. Tata Motor's Penguin parking brake, TML Penguin pedal system (with TMC mounting), TML Indica Vista Quadra-jet pedal system, TML Aria pedal system, TML Sumo Victa (DI-BS IV) pedal system.

F) Setting up manufacturing facility at Dharwad, Karnataka:

The Company proposed to set up manufacturing facility at Dharwad for Tata Motors Ltd.'s expansion of capacity for IRIS & ZIP and other new models. The business expected to be generated is approximately ₹ 200 Crores p.a. starting from the Financial Year 2012- 13. Tata Motors Ltd proposed to start its production in the current financial year with support from Uttarakhand plants. Your Company proposes to invest approximately ₹ 50 Crores in a phased manner to achieve production of 1200 per day of ZIP and IRIS vehicles during next 2-3 years as per requirements of Tata Motors Ltd. For this purpose, land is being provided by Tata Motors Ltd. in their vendor park at Dharwad.

G) Autoline Industrial Parks Limited - (AIPL):

Your Company, through its subsidiary AIPL, owns about 110 acres of land. AIPL has already received residential zone permission for about 40 acres of land and for the balance land about 70 acres, an application is made for the conversion of zone to industrial zone given the fact that Chakan area being fully developed with well-known companies like Volkswagen with 500 acres, Mercedes with 150 acres, Mahindra & Mahindra with 750 acres, General Motors with 300 acres, Hyundai with 100 acres and other multinational companies have started their units. All these companies are located within two km radius from this land location. The site is situated in the centre of all industrial activity in Chakan's Auto Hub, opposite Bajaj Auto Limited on the proposed 6 lane Talegaon- Ahmednagar Road. Chakan is emerging as an auto manufacturing hub and is already adding more industrial area to cater the growing demand.

AIPL is continuing to explore the possibilities of a sale/ joint development in a manner most beneficial to all stakeholders. Negotiations are at different stages with few reputed corporate developers. Further, efforts for sale of land in parcels after part development are also being explored to maximize returns.

H) Autoline Design Software Limited, India - (ADSL):

ADSL has emerged as a multifaceted, end-to-end Engineering Solutions Company that offers business solutions from art to part for manufacturing organizations worldwide. ADSL's expertise in weight optimization has been recognized by the leading OEMs. ADSL styling team has come with styling solutions for Helmets, lighting systems, Two wheelers, concept design for interior & exterior for 4 wheelers & concept design for Consumer Goods. SMA team has been instrumental in providing latest Pedal Systems, Jacks & Parking brakes for leading automobile manufacturers globally like General Motors, Ford, Chrysler, Fisker, Ashok Leyland Nissan & Daimler etc. ADSL has also been able to get a global order working closely with DEP for a European Auto manufacturer. ADSL is also working closely with leading engineering company for conversion of existing SEDAN to LOAD CARRIER.

ADSL is also doing well in PTC product reselling & increasing the customer base and able to get good orders from customers like Fleetguard, Asian Engineering, Electronica with by improved service.

I) Autoline Industries, Inc., Butler, Indiana, USA - (Autoline –Butler) :

- 1.) During the year, Autoline –Butler successfully launched a Ford Pedal program to produce about 300,000 pedals / year. Additionally Autoline –Butler was able to secure three new pieces of business. The GM Alpha program which will launch in March 2012 with an annual sales of \$ 1.6 Million, GM Jack program which will launch in January 2012 with an annual estimated sales of \$ 2.2 Million and the Ford Pedal program which will launch in April 2012 with an annual estimated sales of \$ 2.5 Million / year. Each of these programs will run a minimum of 4 years.

- 2.) Autoline –Butler recently developed a one – piece pedal arm using a complicated process of stamping / welding. This one-piece arm is state of the art and it offers customers a 50% weight savings. This is of great importance as it helps the car manufacturers in fuel efficiency by making certain products of the car lighter.
- 3.) Autoline –Butler's product strategy since operations began in 2008 has always been 5 products in 5 years. Today Autoline –Butler has been successful in manufacturing Jacks, Brake Pedals, Shifters and now parking brakes. Autoline –Butler has reached 4 products in 3 years and with one more product to develop, get customer approval and obtain an order, this strategy will help in our growth with all of the customers.

Your Company, through Autoline Industries Inc. USA, established and started operations in South Korea, to support a Global Small Car Program of OEMs.

J) SZ Design Srl & Zagato Srl (“ZAGATO”) Milan, Italy :

The net worth of the SZ Design Srl Milan, Italy has been eroded due to various write offs. The original promoter of SZ Design, Srl and ICON Developments, SA has initiated Arbitration Proceedings against Koderat Investments Limited and 3 of its Directors and first Arbitration hearing was held in Milan, Italy on 19th November, 2010 to decide procedure and the next Arbitration meeting was held in 2nd week of September, 2011. No further steps have been taken till date.

Concordato Preventivo procedure under Italian Laws, originally scheduled on 20th September, 2011 was postponed to 20th October, 2011 and was finally held on 9th November, 2011. At the hearing held on 9th November, 2011 the required majorities for the approval of the Concordato Preventivo under the Italian Laws have been reached, although the Tax Authorities have again voted against the proposal. Based on information gathered, the process of Concordato Preventivo will take approximately one and a half months more and then a clear picture will emerge. After which suitable action can be taken by your Company.

K) EXPORTS:

Your Company now exports twenty one Sheet Metal Parts & Assemblies to Cummins Power Generation USA and Cummins Filtration USA. During the financial year 2010-11, your Company has exported \$ 0.65 Million (₹ 30.09 Million). There was a 69% growth in export as compared to the financial year 2009-10.

In the current financial year 2011-12, export to Cummins is expected to improve by 25%. Running parts will achieve a business of \$ 1.37 Million (₹ 65.07 Million). Additional 6 different assemblies are going to be added which may further contribute \$ 0.13 Million (₹ 6.55 Million) for the current year. Cummins India ABO has awarded your Company as an Excellent Performance in sheet metal & sealing category for consistently 2 years.

During the period under review your Company, exported to South Korea and others total amounting to ₹ 6.54 Millions.

AMALGAMATION OF NIRMITI AUTOCOMPONENTS PRIVATE LIMITED & WESTERN PRESSING LIMITED (WHOLLY OWNED SUBSIDIARIES) WITH THE COMPANY:

The Wholly Owned Subsidiaries, i.e. Western Pressing Limited & Nirmiti AutoComponents Private Limited have been amalgamated with the Company with effect from appointed date 1st April, 2010 pursuant to Section 391 to 394 of the Companies Act, 1956 with Autoline Industries Limited pursuant to Order passed by the Hon'ble High Court of Bombay on 18th November, 2011. The said Order is effective from 23rd November, 2011 i.e. the date of filing the Order with the Registrar of Companies, Pune. Accordingly all manufacturing activities including vendor codes of OEMs has been transferred to Autoline Industries Limited. The annual accounts of the Company have been prepared after considering the effect of amalgamation with the Wholly Owned Subsidiary Companies i.e. Western Pressing Limited & Nirmiti AutoComponents Private Limited.

TRANSFER TO GENERAL RESERVES:

During the year, a sum of ₹ 21.00 Millions has been transferred to the General Reserve Account.

FIXED DEPOSITS:

During the year under scrutiny, your Company has accepted fixed deposits amounting to ₹ 29.50 Millions from public within the meaning of Section 58A of the Companies Act, 1956. The Company has repaid all fixed deposits alongwith interest thereon, on due dates and has no overdue deposits and unclaimed deposits. The Company discontinued the acceptance and renewal of fixed deposits from public.

CONSOLIDATED ACCOUNTS:

In accordance with the requirements of Accounting Standard AS - 21, prescribed by the Institute of Chartered Accountants of India, the consolidated accounts and cash flow are annexed to this report.

Pursuant to provisions of Section 212 (8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its General Circular No. 02/ 2011 dated 8/2/2011 has granted a general exemption subject to certain conditions to holding companies from complying with the provisions of Section 212 of the Act which requires the attaching of the Balance Sheet, Profit & Loss Account and other documents of its subsidiary companies to its Balance Sheet. Accordingly, the said documents are not being included in this Annual Report. The main financial summary of the subsidiary companies are provided under the section 'Subsidiary Companies: Financial Highlights 2010-11' in the Annual Report. The Company will make available at any point of time the said annual accounts and related detailed information of the subsidiary companies upon request by any member of the Company or its subsidiary companies and the same will also be kept open for inspection by any member at the Head Office of the Company and the subsidiary companies.

MEGA PROJECT STATUS:

On 23rd June, 2011, your Company received "Mega Project" status to the Chakan Project located at S. Nos. 313/314, Nanekarwadi, Chakan, Tal: Khed, Dist: Pune – 410 501, [a 'C' Zone under the Package Scheme of Incentives (PSI) 2007] from Government of Maharashtra, Mumbai. The Company has submitted required documents for getting the Eligibility Certificate. The Company plans to submit the claim for getting the various benefits under Package Scheme of Incentives (PSI) 2007 starting from 1st October, 2009 to 31st March, 2011, and thereafter every financial year, on receiving the Eligibility Certificate.

Domestic Companies:

i) Autoline Design Software Limited :

The gross income including exports achieved was ₹ 23.03 Millions (Previous Year ₹ 48.89 Millions). Profit before tax stood at ₹ 2.30 Millions (Previous Year ₹ 1.14 Millions). Profit after tax was ₹ 1.44 Millions (Previous Year ₹ 0.78 Millions).

ii) Autoline Industrial Parks Limited :

During the year under review, your Company acquired the balance land and hence the business operations have not yet started. During the year, the Company earned dividend and interest income amounting to ₹ 11.18 Millions. (Previous Year dividend and interest income was ₹ 20.34 Millions).

iii) Nuvent Technologies Private Limited :

The Company is the off shore Development Centre of DEP Autoline Inc. USA. During the period under review, gross receipts amounted to ₹ 33.69 Millions (Previous year ₹ 27.68 Millions) and net profit was at ₹ 0.20 Millions. (Previous year ₹ 0.65 Millions).

Foreign Companies:

i) DEP Autoline Inc, USA :

During the period under review, the turnover was USD 45,04,578 amounting to ₹ 205.59 Millions (Previous year USD 25,97,477 amounting to ₹ 123.23 Millions) and profit after tax was USD 2,83,857 amounting to ₹ 13.37 Millions. (Previous year USD 2,02,320 amounting to ₹ 10.58 Millions).

Your Company has revised the terms and conditions of the Stock Purchase Agreement dated May 09, 2007 entered with the CEO and the promoters of DEP Autoline INC, USA (DEP) by entering into a Supplemental Agreement, by which promoters of DEP will increase their stake from 49% to 60%. Consequently the stake of Autoline Industries Limited was reduced from 51% to 40% with effect from 01st April, 2011. Further, the stake of Autoline Industries Limited in Nuvent Technologies Pvt. Ltd. was also reduced from 51% to 40%. This is expected to motivate the core promoters to greater performance and achievements. In case however, the performance does not improve and dividends are not paid beginning 1st January, 2012, the original arrangement of your Company owning 51% stake in DEP Autoline Inc, USA will revert back.

ii) Autoline Industries, INC. USA :

During the period under review, the turnover increased to USD 315,83,076 amounting to ₹ 1440.62 Millions (Previous year turnover was USD 2,05,76,225 amounting to ₹ 979.17 Millions). During the period, the Company achieved net profit of USD 13,75,884 amounting to ₹ 63.04 Millions (previous year net profit was USD 11,52,624 amounting to ₹ 55.88 Millions).

iii) Koderat Investments Limited:

Koderat Investments Limited, Cyprus a wholly owned subsidiary of the Company, is acting as a Special Purpose Vehicle (SPV). During the period, the Company incurred Loss of Euros 12122 amounting to ₹ 0.73 Millions. (Previous year loss was Euros 51,512 amounting to ₹ 3.12 Millions).

RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

i) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as an **Annexure – A** to this report.

ii) Particulars under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975:

The particulars required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given as **Annexure- B** to this report.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. Ajit Karnik and Cmde N. Ravindranathan IN. (Retd.), retire by rotation.

Mr. Rakesh Jhunjunwala, had resigned as a Director (Non-Executive) with effect from 10th August, 2011.

In terms of provisions of Section 260 of the Companies Act, 1956 and Article No.91 of Articles of Association of the Company, the Board of Directors on 10th August, 2011 had appointed Mr. Amit Goela as an additional Director of the

Company. Mr. Amit Goela shall hold office up to the date of Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 for appointment of Mr. Amit Goela for office of director liable to retire by rotation.

the term of Managing Director, Joint Managing Director and Whole Time Director expired on September 30, 2011. the board at its meeting held on August 10, 2011 has re-appointed the Mr. Shivaji T. Akhade as Managing Director, Mr. M. Radhakirshnan as Managing Director and CEO and Mr. Sudhir V. Mungase as Whole Time Director. the designation of Mr. M. Radhakrishnan has been changed from Joint Managing Director to Managing Director and CEO. The approval of members are being sought for their re-appointment as mentioned in item nos. 7 to 9 of the notice.

THE DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, state and confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2011 and of the Profit Account of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared annual accounts on a going concern basis.

EMPLOYEES' STOCK OPTION SCHEME - ESOS

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Company has instituted Employee Stock Option Scheme 2008 (Autoline ESOS 2008) pursuant to the Special Resolution passed by shareholders at 12th Annual General Meeting held on 27th September 2008. During the year under review, 1,60,000 Options were granted to 171 Permanent employees and 15,000 options were granted to 5 Independent Directors. As at 31st March, 2011, 4309 options have lapsed/surrendered. The details of the same are given in the **Annexure C** to this report.

The Certificate from the Company's Statutory Auditors in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is annexed as **Annexure - D**.

CORPORATE GOVERNANCE:

Your Company has complied with the mandatory provisions of Clause 49 of the Listing Agreement relating to Corporate Governance, as amended from time to time. A separate section on Corporate Governance forms part of the Annual Report and the Certificate from the Company's Statutory Auditors in terms of Clause 49 of the Listing agreement with Stock Exchanges is annexed as **Annexure - E**.

AUDITORS:

M/s. Gujar Rawat Sheth & Associates, Chartered Accountants, Pune, Auditors of the Company will retire from the office of the auditors at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

AUDITORS' REPORT :

The observations made in the Auditors Report, read together with the relevant notes thereon are self explanatory and hence does not call for any comments under Section 217 (3) of the Companies Act, 1956.

ACKNOWLEDGEMENTS:

The Directors would like to thank the investors, employees, customers, suppliers, bankers, all other business associates and various departments of central government and state government for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board

Place : Pune
Date : 30th November, 2011

(Prakash B.Nimbalkar)
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – A

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

Your Company is taking continuous efforts towards optimum utilisation of energy resources which have resulted in cost saving for the Company.

Some of the initiatives taken by the Company in this regard are as under:

- i. Measures for availability of natural lighting - Use of Poly carbonate sheets for roofing in the factory shed. This made the day light availability for maximum number of hours and has reduced the consumption of bay lights.
- ii. Compressor, water pump, cooling tower, lights and machines mains switch off (shut down of power supply) during non- working hours viz- lunch time, tea time etc.
- iii. Shop & street light saving by alternate wiring.
- iv. EDO charges reduces from 17% to 9%.
- v. Installation of poly sheets and air ventilators to get natural light and air at paint and structure shop.
- vi. For exhaust assembly ring elimination done and used tube directly.
- vii. For exhaust assembly taper cutting operation eliminated.
- viii. Power factor controlled by monitoring capacitor resulting into saving in energy.
- ix. Illumination by vapor lamps resulting into saving in energy.
- x. 19 numbers of plastic sheets have been added to achieve better alumination and energy saving.
- xi. Installation of Compressors having DSS function i.e. DELAYED SECOND STOP. This means drive motor runs only when needed. Because the Elektronikon maintains the desired system pressure while minimizing the drive motor run time, energy consumption is kept at a minimum.

b) Impact of above measures for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted / will result in energy saving and consequently decrease the cost of production.

c) The total energy consumption and energy consumption per unit of production as per prescribed form A :

Form – A

Form for disclosure of particulars with respect to conservation of energy.

(A) Power and Fuel Consumption:-

Electricity	Units	Current Year	Previous Year
(A) Purchase –Units	KWH in Lacs	111.13	67.13
Total Amount	₹ in Lacs	598.52	366.11
Rate per Unit	₹	5.38	5.45
(B) Own Generation Through Diesel Generator- Units	KWH in Lacs		
Unit per ltr. Of Diesel Oil	₹ in Lacs		

(B) Consumption per unit of production

Considering the number of components produced, consumption of per unit of production cannot be determined.

B. TECHNOLOGY ABSORPTION

Expenditure on Research & Development:

Sr. No.	Particulars	(Rs.)
a)	Capital	NIL
b)	Recurring	—
	Total	NIL
c)	Total R & D expenditure as a percentage of total turnover.	NIL

During the period, your Company has made following efforts at various plants including Uttrakhand plants:

Efforts taken at various plants:

- 1) All plants have been provided with sufficient number of palatisation support for the improvement in quality during the movement of components/assemblies. The same is required considering the global competition in the market. Following components/assemblies are involved.
 - a. Front door Safari
 - b. Rear door, tunnel and roof
- 2) To maintain quality of transportation (pallets) separate section has been made.
- 3) In the assembly areas inspection table has been provided with required illumination to check and control aesthetic quality of skin panels.
- 4) Separate die maintenance area is ear marked for the maintaining the dies for every time to achieve the quality stance.
- 5) Green room concept has been provided in the press shop to achieve the equality standards.
- 6) Un-wanted things have been removed from door outers to avoid dents and damages during the process of pressing.
- 7) Visual display of carbon nugged test record has been kept on each line.
- 8) On all the plants POKA YOKE has been introduced to achieve the mistake proof results.
- 9) To reduce the die set up time in the press shop availability of required things (cushion pins, clampings, packings) have been made available and stored at a particular place to reduce searching time during set-up.
- 10) All the plants are being followed the system of '5S' on the shop floor to improve the working standards.
- 11) Chequered plates have been replaced to improve the working area round the presses to avoid accidents.
- 12) Employees have been requested to use safety equipments during working hours.
- 13) Low cost automation conveyor developed in- house and installed between 2 presses and presses are operated in line mode.
- 14) To avail the sunset clause/industrial package benefits, the assemblies of upcoming projects and sample parts has been productionised.
- 15) New department called "Program Management" formed for all new project handling.
- 16) Skilled manpower hired who are capable in terms of Quality Management Systems, Manufacturing development and Supplier Quality Engineering.
- 17) Training provided to all employees for awareness of electrical energy savings when they are off the work place.
- 18) Overtime cost for assembly reduced due to exigencies of material availability from suppliers /group companies.

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Benefits derived as a result of above:

1. Less damages to components.
2. Increase in productivity.
3. Minimize operator/ workmen fatigue
4. Development of new products
5. Enhancement of product range
6. Improved quality and customer satisfaction
7. Reduction in cost of production

FOREIGN EXCHANGE EARNINGS & OUTGO :

(₹)

Particulars	2010-11	2009-10
Foreign Exchange Earnings	3,66,34,834	2,28,80,779
Foreign Exchange Outgo	20,90,73,048	5,75,46,747
Foreign Exchange Inflow	25,835,783	87,11,718

For and on behalf of the Board

Place : Pune
Date : 30th November, 2011

(Prakash B. Nimbalkar)
Chairman

ANNEXURE – B

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report.

Persons employed throughout the financial year who were in receipt of remuneration in aggregate of not less than ₹ 60,00,000 per annum or ₹ 5,00,000 per month.

Name	Designation and nature of duties	Age (Yrs)	Gross Remuneration (₹)	Net Remuneration (₹)	Qualification	Total Experience (Yrs)	Date of Joining	Last employment	% of equity share capital held	whether relative of any Director of company
Mr. Shivaji T. Akhade	Managing Director	45	60,00,000	42,00,000	B.Com.	20	16.12.96	N.A.	5.19%	Mr. Sudhir V. Mungase Wife's Brother
Mr. M. Radhakrishnan	Managing Director & Chief Executive Officer	57	60,00,000	42,00,000	B.Sc. (Stats) LLB, DBM, CAIIB	32	03.09.01	Small Industries Development Bank of India –General Manager	0.90% Wife – Mrs. Rema Radhakrishnan - 5.45%	N.A.
Mr. Sudhir V. Mungase	Wholetime Director	36	60,00,000	42,00,000	Undergraduate	15	16.12.96	N.A.	4.92%	Brother in Law of Mr. S.T. Akhade

For and on behalf of the Board

Place : Pune
Date : 30th November, 2011

(Prakash B. Nimbalkar)
Chairman

Notes:

1. Designation of the employee indicates the nature of duties.
2. The nature of employment in all above employment is contractual.

ANNEXURE C - TO THE DIRECTORS REPORT

Employee Stock Options Scheme 2008

(a)	Options granted on 12th November 2010	1,75,000
(b)	Pricing Formula	₹ 25 per share
(c)	Options vested	Nil
(d)	Options exercised	Nil
(e)	Total number of shares arising as a result of exercise of options	Nil
(f)	Options lapsed (as at 31st March 2011)	4309
(g)	Variation of terms options	No variation
(h)	Money realized by exercise of options	Nil
(i)	Total number of options in force (as at 31st March 2011)	170691
(j)	Employee wise details of options granted to	
	1 Directors/Senior Management personnel	
	Mr. Prakash B. Nimbalkar - Non Executive Chairman	5000
	Mr. Ajit B. Karnik - Non Executive & Independent Director	2500
	Prof. Abraham Koshy - Non Executive & Independent Director	2500
	C.A. Vijay K. Thanawala - Non Executive & Independent Director	2500
	Cmde. N. Ravindranathan -IN (Retd.) Non Executive & Independent Director	2500
	Mr. Avindala Satyanarayana - General Manager - Operations	2250
	Mr.Rangaraju Guduru Venkata - DGM - Tool Room	1900
	Mr. Kasture Santosh Laxmanrao - Plant Head - Kudalwadi	1400
	Mr. Dhas Rajendra Dnyandeo - Plant Head - Chakan unit 1	2400
	Mr. Sanjiv Mukundrao Devadkar - DGM Raw Material	2300
	2 Employees to whom more than 5% options granted during the year	Nil
	3 Employees to whom options more than 1% of issued capital granted during the year	Nil
(k)	Diluted EPS,pursuant to issue of shares on exercise of options	₹ 16.35
(l)	1 Method of calculation of employee compensation cost	Calculation is based on intrinsic value method Intrinsic value per share is ₹ 234.45 per share
	2 Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by ₹ 1,03,437/- had the Company used fair value method for accounting the options issued under ESOS
	3 Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by ₹ 1,03,437/- and EPS would have been lower by ₹ 0.01, had the Company used fair value method of accounting the options issued under ESOS
(m)	1 Weighted average exercise price	₹ 25.00
	2 Weighted average fair value of options based on Black Scholes methodology	₹ 239.80
(n)	Significant assumptions used to estimate fair value of options including weighted average	
	1 Risk free interest rate	7%
	2 Expected life	Average life taken as 1 year from date of Grant (Vest)
	3 Expected volatility	45%
	4 Expected dividends	Not separately included, factored in volatility working
	5 Closing market price of share on a date prior to date of Grant (Vest)	₹ 259.45

ANNEXURE – D TO THE DIRECTORS REPORT AUDITORS' CERTIFICATE ON EMPLOYEE STOCK OPTION SCHEME

To

The Members of
Autoline Industries Ltd

We have examined the books of accounts and other relevant records and based on the information and explanations given to us, certify that in our opinion, the Company has implemented the Employee Stock Option Scheme in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Special Resolutions passed at the Annual General Meeting of the Company held on 27th September 2008.

**FOR GUJAR RAWAT SHETH & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REG. NO-121347W**

Date: 30th November, 2011
Place: Pune

**VIJAY B. SHETH
PARTNER
MEM.NO.037634**

Management Discussion & Analysis

Economic Overview

The overall growth of gross domestic product (GDP) at factor cost at constant prices, as per Advance Estimates was 8.5 per cent in 2010-11, representing an increase from the revised growth of 8 per cent during 2009-10, according to the monthly economic report released for the month of October 2011 by the Ministry of Finance. The index of industrial production (IIP) stood at 1.9 per cent in September 2011, year-on-year (y-o-y), on back of slower than expected growth in manufacturing and within that, the capital goods sub-segment as well as due to high interest rates. During April-September 2011-12, the IIP growth was registered at 5.0 per cent as compared to 8.2 per cent during 2010-11.

The Finance Ministry has however, maintained that India remains firmly on a growth path of 7.5 per cent to over 8 per cent in the medium to long-term. However, there could be some temporary disturbances on account of global macroeconomic events like the Euro Zone sovereign default crisis and the slow pace of economic revival in the United States of America.

Industry Overview

Automobile Industry:

The Indian Automobile Industry is the seventh largest in the world and has contributed significantly to the Indian economy. The industry grew at a rate of 8.6 per cent during 2010 – 11 and is expected to maintain its growth momentum even in the future backed by a strong consumption demand in the country even as the near term economic concerns begin to smoothen out.

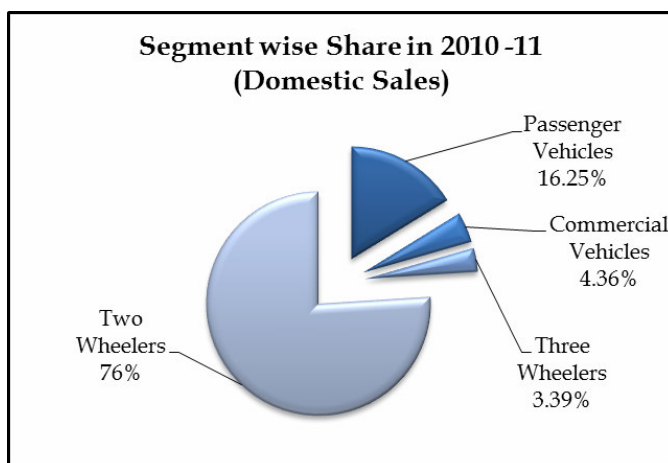
Due to its deep forward and backward linkages with several key segments of the economy, the automotive industry has a strong multiplier effect.

The Automotive Industry comprises of automobile and auto component sectors. The automotive industry consists of segments like Commercial vehicles (CVs), Multi Utility Vehicles (MUVs), Sports Utility Vehicles (SUVs), Passenger Cars (PVs), two-wheelers, three-wheelers and tractors. Overall, the automobile industry reported a decent growth of 26.61% in sales in 2010-11 as compared to 2009-10 including exports. Total vehicle sales which included domestic and export sales in 2010-11 was 1,78,52,489 units as compared to 1,40,99,823 units during 2009-10.

However, of the overall growth, vehicles sales on the domestic front grew by 26.17% in 2010-11 as compared to 2009-10. According to the figure released by Society of India Automobile Manufacturers (SIAM), total vehicle sales in India in the year 2010-11 was 1,55,13,156 units as compared to 1,22,95,397 units during 2009-10. The segment wise break up of sales for 2010-11 and 2009-10 is mentioned below :

Domestic Sales

Segment	2010 -11	2009 -10	Growth	% Growth (y-o-y)
Passenger Vehicles	25,20,421	19,51,333	5,69,088	29.16
Commercial vehicles	6,76,408	5,32,721	1,43,687	26.97
Three –Wheelers	5,26,022	4,40,392	85,630	19.44
Two-Wheelers	1,17,90,305	93,70,951	24,19,354	25.82
Total	1,55,13,156	1,22,95,397	32,17,759	26.17

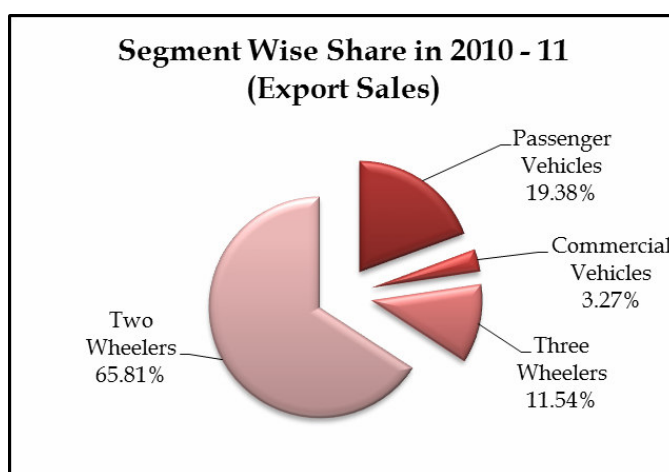


Source : Society of Indian Automobile Manufacturers (SIAM)

While on the export front, the vehicle sales grew by 29.64% in 2010-11 as compared to 2009-10. According to the figure released by Society of India Automobile Manufacturers (SIAM), total export sales in the year 2010-11 was 23,39,333 units as compared to 18,04,426 units during 2009-10. The segment wise break up of export sales for 2010-11 and 2009-10 is mentioned below :

Export Sales

Segment	2010 -11	2009 -10	Growth	% Growth (y-o-y)
Passenger Vehicles	4,53,479	4,46,145	7,334	1.64
Commercial vehicles	76,297	45,009	31,288	69.51
Three –Wheelers	2,69,967	1,73,214	96,753	55.86
Two-Wheelers	15,39,590	11,40,058	3,99,532	35.04
Total	23,39,333	18,04,426	5,34,907	29.64



Source : Society of Indian Automobile Manufacturers (SIAM)

The Automobile industry body, Society of Indian Automobile Manufacturers (SIAM) has however lowered its vehicle sales growth forecast for FY12 to 11-13% from 12-15% announced three months earlier, mainly due to higher interest rates and rising fuel prices. It, however, said India became the top growing passenger car market in the world during the January-June period this year, overtaking the US, which grew at 14.40%.

In 2010 – 11, the total turnover of the automotive industry stood at USD 73 billion and is expected to grow by double to about USD 145 billion by the year 2016 as per the Automotive Mission Plan 2006 – 2016. This mission aims at making India a global automotive hub and thereby proposes to set up automotive hubs spread across 10,000 acres each in Central and Eastern India in addition to the existing and upcoming ones at Pantnagar in Uttarakhand and Chakan in Pune.

Bracing up with the fast growing automotive sector, the auto components industry too is poised to do well and capitalize on the emerging opportunities.

Autocomponent Industry :

India has the most competitive auto parts manufacturing industry in the world owing to its cost and man power advantages and resultantly, Indian auto components are being widely preferred by major international and domestic automobile manufacturing companies. Today, the industry has transformed from being a mere low cost supplier of components world over to becoming a global hub for outsourcing a range of high value critical auto parts.

As per a report from the Industry body, Automotive Component Manufacturers Association of India (ACMA), the turnover of the auto component industry was about USD 26 billion in 2010-11, up 18% from USD 22 billion in 2009-10.

The growing demand for vehicles from the emerging markets and global markets has led international as well as domestic OEMs to either set up their manufacturing base in India or to undertake capital investments to expand their capacities. This would fuel demand for auto components, thereby leading to a promising growth outlook for the auto ancillary industry in India.

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Business Performance

During the year gone by, on a consolidated basis your Company recorded a growth of 46 % in Net Sales at ₹ 6,605.92 Millions from operations on the back of strong growth witnessed in volumes and completion of the amalgamation process of Nirmiti Autocomponents Pvt. Ltd. and Western Pressing Ltd. Resultantly, operating profits grew nearly 33 % at ₹ 726 Millions on account of good business traction witnessed by your Company as well as by your Company's subsidiaries and also due to Company's cost conscious approach. Naturally, with the uptick in business activity at the topline level, the bottomline too expanded by a healthy 32.7 % and stood at ₹ 273 Millions.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

CONSOLIDATED HIGHLIGHTS

(₹ in Millions except EPS data)

PARTICULARS	2010-11	2009-10
Income from operations (Gross)	7011.58	4747.47
Other income	30.11	9.06
Profit Before Interest and Depreciation	726.12	545.01
Interest expenditure (Net of income)	185.47	110.08
Depreciation	186.64	168.28
Profit before tax	354.01	266.66
Taxation : Current	62.65	35.16
Deferred	9.30	14.53
Profit after tax but before deducting minority interest	282.06	216.97
Less: minority interest	8.67	11.00
Profit Attributable to the group	273.39	205.97
Earnings per share (in Rs.)	22.41	16.88
Weighted Earnings per share (in Rs.)	22.41	16.88

The overall performance of the Company during the year under consideration has been satisfactory.

Key Competitive Positioning

Over the years your Company has built a strong product portfolio and developed high-end capabilities. The Company grew inorganically by acquiring companies with a varied product profile; focus on creative segments like concept, style, design, software development and application services.

Today, the Company is able to provide over 1,000 products across different sizes and ranges that fit into a range of SUVs, MUVs, PV's, CVs, and other vehicles. Additionally the Company have developed in house expertise by setting up in house research and development centre and a tool room facility.

Your Company has added a varied range of products like foot control modules, exhaust systems, silencers, tool jack, hinges, brake assemblies, automotive axles, etc. The Company is also undertaking styling, designing, conceptualizing, prototyping and application software development by DEP Autoline, Inc. USA and ADSL which are into high end design engineering and SZ Design Srl, Italy which is involved in vehicle styling and customization. Thus, the Company has not only been able to improve margins but have also now become an Art -to -Part service provider to all OEMs at the domestic and international level.

Moreover, as your Company manufactures proprietary products like pedal systems, automotive axles, radiator supports, components for shock absorbers, etc. it will be able to enjoy an enhanced footing on the global stage resulting into improved brand visibility.

As the Company is an end – to – end service provider to domestic as well as international OEMs with unique value engineering and R&D capabilities in developing proprietary products, it can capitalize on the first mover advantage it enjoys by virtue of the backward integration undertaken by your Company post its IPO. It is thus ahead of the curve in the event the competitive intensity rises due to increased outsourcing opportunities by international auto makers to Indian companies which have now emerged as the preferred outsourcing destination as against other countries in the Asian region.

Further, each of the manufacturing facilities has a tool room attached. Besides this, an ultra modern tool room facility has been set up at Chakan, the auto hub in the Western region on an area of 60,000 square feet. This facility is equipped with latest state of the art Hartford CNC Vertical Milling centre, other CNCs, Wire cut machine, horizontal boring machines and other supporting tooling machinery to address the requirements of large sized dies. With the acquisition of ADSL, your Company has been able to add world class design capabilities to our ensemble. Your Company has been able to manufacture sophisticated large sized dies upto 4.5 meters for both in-house production and to cater to orders from customers.

The Company's strength lies in customizing the product and delivering as per client specification for quality, efficiency, delivery and cost competitiveness. Further, the Company also constantly innovates on the existing products as part of the Company's value engineering expertise so as to enable OEMs to improve efficiency of the auto components and thereby rationalize costs. This has resulted in strong client relationships over the years which drive business.

Key Concerns & Threats :

The risks to which the Company is exposed are common to most of the players in the auto components industry. One of the primary risks faced by the Company is from the fluctuating prices of steel (HR and CR), a key input used in the manufacturing process. Commodity price rises are beyond the control of the Company and any sharp rise in the same can affect the performance of your Company as it would be unable to pass on the full impact of rise in input costs to its customers due to increased intensity of competition. The Company tries to optimize its purchase policies and buy raw materials at the best possible prices to keep costs under control.

Entry of new players and the launch of new models have increased market competition for automobile companies. This in turn restricts the ability of the auto component manufacturing companies to pass on the full impact of input cost pressures to auto manufacturers.

Infrastructure plays a key role in the development of the economy and hence, infrastructural bottlenecks and delay in policy initiatives by the Government could affect the growth of the industry and the Company.

With improved road infrastructure in the country, sale of vehicles would also get a thrust. Other fiscal incentives such as tax holidays, exemptions etc. would also help the industry to grow at a faster pace.

Inflation which has remained high throughout the year led the Central Bank in the country to raise interest rates 13 times in a row during the calendar year. This has naturally led to an increase in the borrowing costs for companies, including your Company. In addition to this any shortage in components and increase in crude oil prices would add on to the difficulties of the industry, thus impacting the pace of growth.

Business Outlook :

The prospects for the automobile and auto component manufacturing companies though healthy, merit some caution in the wake of the uncertain global economic scenario in the United States and the European markets in the near term. Activities are slowing down and downside risks have increased again.

There will be some turbulence ahead with auto companies and resultantly, auto ancillary companies too getting caught in a scenario of higher input costs and slackening demand from its end user industries leading to higher inventories.

Nevertheless with a robust business model, an able management team and increased focus on value engineering capabilities, your Company is confident of its ability to weather such turbulence and improve growth prospects.

Strong domestic market demand fuelled by the rural market and an increase in per capita spending together with significant investments in capacity additions, positions your Company to capitalize from the expected upward trend in the

market. Increased demand, prospects of higher margins from its proprietary product offerings and launch of new products are expected to result in significantly improving return on capital going forward.

Segment – wise performance :

Your Company is in the business of manufacturing of pressed sheet metal auto components and assemblies which is used in the manufacturing of the main product and in Design Engineering Services. All other activities of the Company revolve around the main business. The sales are primarily to Domestic Automotive Component Segment. However, the Company also has share in export segment.

Internal control systems and their adequacy :

The Company has proper and adequate system of controls in order to ensure the optimal utilisation of resources and the accurate reporting of financial transactions and strict compliance with applicable laws and regulations. The Company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorised use or disposition and that transactions are authorised, recorded, and reported correctly.

Audit Committee of Board of Directors comprising majority of independent Directors, regularly reviews the significant audit findings, adequacy of internal controls, compliance with accounting policies, practices and standards as well as compliances. It reviews and reports efficiency and effectiveness of operations and the key process risk.

Your Company has implemented Microsoft Dynamics AX 2009, Enterprise Wide Solution, Enterprise Resource Planning (ERP) at all its plants covering all its businesses, planning and accounting processes. With the help of this, your Company will be in a better position to increase the efficiency and cost effectiveness of overall operational controls.

Your Company appointed “Chandrakant G Doshi & Co. Chartered Accountants, w.e.f. 1st April, 2010 independent firm of internal auditors, who carried out audits in different areas of Company’s operations during the period under review. The Audit Committee reviews internal audit reports and the adequacy of internal controls from time to time.

Capital expenditure:

Your Company invested ₹ 524.88 Millions towards capital expenditure in land, building, plant and machinery and other miscellaneous fixed assets during the year under review. The capital infusion will continue in a planned manner to further improve, enhance and modernise plants in the current year 2011-2012.

Material developments in human resources / industrial relations front, including number of people employed :

Your Company had a total strength of 3000 employees as on 31st March, 2011. In order to protect health of employees and to ensure healthy working environment, your Company in January, 2011 has renewed the Employees Group Medi-claim and Personal Accident policy from “ICICI Lombard General Insurance Company Limited”.

The Company launched quarterly News letter named ‘NINAD’ from 1st Quarter-January to March, 2010 which aims to provide platform for the management, the employees, and their families to communicate and share their news and views freely & effectively.

Further during the year under review, your Company has granted 1,60,000 Options to 171 Permanent employees under Employees Stock Option Scheme.

A cordial industrial relations environment prevailed in all the manufacturing units of the Company during the year.

Cautionary statement :

The statements forming part of this Annual Report including Directors’ Report and Management Discussion and Analysis report may contain certain forward looking statements within the meaning of the applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied, since the Company’s operations are influenced by many external and internal factors beyond the control of the Management. The Company cannot guarantee that these statements, assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**ANNEXURE E TO DIRECTORS' REPORT
AUDITORS' CERTIFICATE**

REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Member(s) of Autoline Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Autoline Industries Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of Investor grievances received during the year ended 31st March, 2011 no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR GUJAR RAWAT SHETH & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REG. NO-121347W**

**Place : Pune
Date: 30th November, 2011**

**VIJAY B. SHETH
PARTNER
MEM.NO.037634**

CORPORATE GOVERNANCE REPORT

I. MANDATORY REQUIREMENTS

A. Company's philosophy on code of governance

The Corporate Governance contains set of principles, process and systems to be followed by Directors, Management, and all employees of the Company for increasing shareholders value keeping in view interest of other stakeholders. Corporate Governance has become an integral part of the business aligning the organisation to the best of international practices of good governance. This encompasses the value systems of integrity, fairness, transparency and adoption of the highest standards of business ethics which aims to benefit all the stakeholders. Your Company is fully committed to achieve and maintain the highest standard of Corporate Governance. The mandatory requirements of Clause 49 of Listing Agreement have fully been implemented by your Company.

The detailed report on implementation by the Company of the corporate governance code as per Clause 49 of the Listing Agreement with Stock Exchanges is set out as under:

B. Composition of the Board of Directors:

The present strength of your Company's Board is Nine Directors, comprising of Non-Executive Chairman, Mr. Prakash B. Nimbalkar, **three** Executive Directors viz. Mr. M. Radhakrishnan, Managing Director & CEO, Mr. Shivaji T. Akhade, Managing Director and Mr. Sudhir Mungase, Wholetime Director and **Four** Non-Executive Independent Directors viz. Mr. Ajit B. Karnik, CA. Vijay K. Thanawala, Prof. Abraham Koshy, Cmde. N. Ravindranathan IN (Retd), and **one** Non Executive Director viz. Mr. Amit Goela*. Mr. Rakesh Jhunjunwala resigned as Non- Executive Director w.e.f. 10th August, 2011.

* Mr. Amit Goela appointed as an Additional Director with effect from 10th August, 2011

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the listing agreement with Stock Exchanges), across all the Companies in which they are Directors. The necessary disclosures regarding Committee positions have been made by the Directors.

During the financial year 2010 - 2011, **Five** Board meetings were held on the 29th May, 2010, 19th June, 2010, 14th August, 2010, 12th November, 2010, 11th February, 2011.

In advance of each meeting the Board is presented with all relevant information of various matters relating to the working of the Company, especially those that requires deliberations at the highest level. Directors have separate access to senior management at all times. In addition to items which are required to be placed before the Board for its noting or approval, information is provided on various significant items.

The information as specified in Annexure IA to clause 49 of listing agreement is regularly made available to the Board. Further, the periodical Legal Compliance Reports of all laws applicable to the Company are reviewed by the Board at each Board meeting.

To enable the Board, to discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the Company. The minutes of the Board meeting are circulated in advance to all Directors and confirmed at the subsequent Board meeting.

The attendance at the Board meetings held during the financial year 2010-2011 and at the last Annual General Meeting (AGM), the number of other Directorships and Committee Memberships/Chairmanships of Directors as on 31st March, 2011, are as follows:

Name of the Director	No. of Board meetings attended	Attendance at the last AGM	No. of Directorships held *	No. of committee memberships held**	No. of committee Chairmanship held**
Mr. Prakash B. Nimbalkar	05	No	06	04	02
CA Vijay K. Thanawala	05	Yes	03	01	01
Prof. Abraham Koshy	02	No	03	—	—
Mr. Ajit B. Karnik	05	No	04	02	—
Cmdr. N. Ravindranathan IN. (Retd.)	05	No	01	—	—
Mr. Shivaji T. Akhade	05	Yes	09	—	—
Mr. M. Radhakrishnan***	05	Yes	08	02	—
Mr. Sudhir Mungase	05	Yes	08	—	—
Mr. Rakesh Jhunjhunwala****	—	No	13	01	—

* Including private Companies and foreign Companies Directorship and Directorship in Autoline Industries Limited.

** Includes only Audit Committee and Shareholders /Investors' Grievance Committee in all companies including Autoline Industries Limited.

*** Mr. M. Radhakrishnan appointed as Managing Director and CEO w.e.f. 10th August, 2011

**** Mr. Rakesh Jhunjhunwala resigned as Non- Executive Director w.e.f. 10th August, 2011

Details of Directors retiring by rotation at the forthcoming Annual General Meeting are given below:

Name of the Directors	Date of birth / Date of Appointment	Expertise in specific functional areas	Qualifications	Committee memberships in*	Directorships in	No. of shares held in the Company
Mr. Ajit B. Karnik	21st February, 1948 15th June, 2006	A Aircraft Senior Maintenance Engineer by Qualification. Established Helicopter Division from scratch. Extended the scope of services to cover operations, maintenance and management. Provided exemplary maintenance services to the State Govt.	Aircraft Maintenance Engineer	Autoline Industries Ltd - Audit Committee and Investor Grievance & Share Transfer Committee	1. Aero Turbines (India) Limited. 2. Autoline Design Software Limited	600
Cmdr. N. Ravindranathan IN (Retd)	4th September, 1942 23rd March, 2007	1. 32 years experience as Marine Engineer with Indian Navy in various areas. 2. Chief Engineer of INS Vikrant, the Air Craft carrier, Joint Director of ship Production, fleet maintenance warship projects and quality assurance at Naval Head Quarters and Dept of Defence Production, Ministry of Defence. 3. Experience with indigenization and Techno commercial negotiations with foreign firms for production and technology transfer. 4. Experience in the fields of Mercantile Marines off shore rigs, Marine Insurance Surveys and Training.	AMIE, MI Mar (E), PG Diploma in Systems Management, Bajaj Institute (Bombay University). Attended courses on management development at Administrative Staff College, Hyderabad/CDM Secanderabad.	—	—	200

*Only two Committees viz. the Audit Committee and the Shareholders /Investors' Grievance Committee are considered.

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Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are as under:

Name of the Directors	Date of birth / Date of Appointment	Expertise in specific functional areas	Qualifications	Committee memberships in*	Directorships in	No. of shares held in the Company
Mr. Amit K. Goela **	2nd February, 1965 10th August, 2011	Partner at RARE Enterprises and has 20 years of experience in Capital Markets.	B.COM, MBA.	————	1. Rare Equity Private Limited (earlier known as Marganta Textiles Private Limited). 2. Race Ahead Properties Private Limited. 3. Roshni Agencies Private Limited.	125000

*Only two Committees viz. the Audit Committee and the Shareholders /Investors' Grievance Committee are considered.

**appointed as an Additional Director with effect from 10th August, 2011

BOARD COMMITTEES

1. Audit Committee

The Audit Committee of the Board of Directors of the Company provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Its main aim is to monitor and to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, and transparency, integrity and quality of financial reporting.

Your Company has an Audit Committee comprising four members out of which three are non-executive independent Directors viz. C.A. Vijay K. Thanawala, Mr. Prakash B. Nimbalkar, Mr. Ajit B. Karnik and Mr. M. Radhakrishnan, Managing Director & CEO.

CA. Vijay K. Thanawala is the Chairman of the audit committee. All members of the Audit Committee are financially literate and CA. Vijay K. Thanawala, Mr. M.Radhakrishnan and Mr. Prakash Nimbalkar have accounting or related financial management expertise. Mr. Ashutosh B. Kulkarni, Company Secretary is the secretary to the committee. The Statutory Auditors and Chief Financial Officer (CFO) are invited to attend the meetings of the committee.

The terms of reference of the Audit committee are wide enough to cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and inter-alia includes:

- a. To discuss with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors.
- b. To ensure compliance with internal control systems,
- c. To review the quarterly, half-yearly and annual financial statements before submission to the Board.
- d. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- e. Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- f. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on :
 - Any changes in accounting policies and practices
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Major accounting entries involving estimates based on exercise of judgment by the management
 - Qualifications in draft audit report
 - Significant adjustments arising out of audit
 - The going concern assumption

- Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning Financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- g. Reviewing with the management, performance of statutory and internal auditors, and the adequacy of internal control systems.
- h. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- i. Discussion about any significant findings of internal auditors and follow up there on.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- k. Discussion with external auditors, before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- l. Reviewing the Company's financial and risk management policies.
- m. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends and creditors.)

During the year under review, **four** Audit Committee meetings were held on 29th May, 2010, 14th August, 2010, 12th November, 2010, and 11th February , 2011.

Attendance at the Audit Committee meetings:

Name of the Director	No. of meetings held	No. of meetings attended
CA. Vijay K. Thanawala	4	4
Mr. Prakash B.Nimbalkar	4	4
Mr. Ajit B. Karnik	4	4
Mr. M. Radhakrishnan	4	4

2. Remuneration Committee

The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director and Wholetime Directors and Senior Management, based on their performance and defined assessment criteria. The committee has overall responsibility for approving and evaluating the Executive Directors and Senior Management compensation plans, policies and programmes.

The Remuneration Committee consists of CA. Vijay K. Thanawala, Prof. Abraham Koshy and Cmde. N. Ravindranathan IN (Retd). All are Non-Executive and Independent Directors.

CA. Vijay K. Thanawala is the Chairman of Remuneration Committee.

The meeting of the Remuneration Committee was held on 14th August, 2010 to recommend the remuneration payable to the executive directors for the remainder period of their appointment.

Attendance at the Remuneration Committee meeting:

Name of the Director	No. of meetings held	No. of meetings attended
CA. Vijay K. Thanawala	1	1
Prof. Abraham Koshy	1	1
Mr. Cmde. N. Ravindranathan IN (Retd)	1	1

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The details of remuneration paid to Directors of the Company during the financial year 2010-2011 are given below: (₹ in Millions except share data)

Name and Designation of the Directors	Salary & Perquisites	Commission -* 1% of net profits	Sitting Fees for Board and Committee meetings	No. of equity shares held	Service Contract
Mr. Shivaji T. Akhade Managing Director	6.00	Nil	Nil	5,91,181	5 years w.e.f. 1st October, 2011
Mr. M. Radhakrishnan Managing Director & Chief Executive Officer**	6.00	Nil	Nil	1,09,953	5 years w.e.f. 1st October, 2011
Mr. Sudhir V. Mungase Wholetime Director	6.00	Nil	Nil	5,58,458	5 years w.e.f. 1st October, 2011
Mr. Prakash B. Nimbalkar Non- Executive Chairman & Independent Director	—	0.40	0.515	325	—
CA. Vijay K. Thanawala Non-executive & Independent Director	—	0.40	0.165	25	—
Prof. Abraham Koshy Non-executive & Independent Director	—	0.40	0.05	Nil	—
Mr. Ajit B. Karnik Non-executive & Independent Director	—	0.40	0.185	600	—
Comde. N. Ravindranathan IN (Retd) Non-executive & Independent Director	—	0.40	0.110	200	—
Mr. Rakesh Jhunjhunwala*** Non-executive Director	—	0.40	Nil	5,20,000	—

* Commission of 1% of net profits was paid to Non-executive Directors who were on the Board as on 31st March, 2011.

** Mr. M. Radhakrishnan appointed as Managing Director and CEO w.e.f. 10th August, 2011

*** Mr. Rakesh Jhunjhunwala resigned as Non- Executive Director w.e.f. 10th August, 2011

During the year under review, none of the Non-Executive Directors of the Company had any material pecuniary relationships and/or transactions with the Company.

The Company do have a scheme for grant of Stock Options for the year ended 31st March, 2011.

The criteria for making payment to Non-Executive Directors :

All Non-Executive Directors of your Company receive sitting fees for each meeting of Board and Committee thereof attended by them.

Considering the expertise and special services rendered by Non-executive Directors, the Board of Directors at its meeting held on 29th May, 2010 increased the amount of sitting fees from ₹ 10,000/- to ₹ 20,000/- for attending each Board meeting & ₹ 15,000/- for attending Executive & Audit committee meeting.

The shareholders of the Company vide Special Resolution passed at the Extraordinary General Meeting held on 23rd March, 2007 have approved the payment of a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 to the Non-Executive Directors and accordingly are distributable as commission, amongst the Non-Executive Directors considering the special services and efforts rendered by them. Other than sitting fees and commission on the net profits of the Company, no other remuneration has been paid to the Non- Executive Directors for Financial Year 2010-11.

During the period, the remuneration paid to Managing Director, Jt. Managing Director and Wholetime Directors are within the ceiling prescribed under the provisions of the Companies Act, 1956. The shareholders at the Eleventh Annual General Meeting held on 1st September, 2007, had approved payment of Commission to the Managing Director, Jt. Managing Director and Wholetime Directors and authorised the Board of Directors to fix the commission

for each financial year depending upon the net profits of the Company (overall remuneration shall not exceed 10% of net profits of the Company). On the recommendation of the Board of Directors and in order to conserve the resources, the Managing and Wholetime Directors have decided to not to take any commission for the financial year 2010 -11.

Service contracts, notice period, severance fees

(₹ in Millions except share data)

Contract Terms	Mr. Shivaji.T. Akhade Managing Director	Mr. M. Radhakrishnan Managing Director	Mr. Sudhir V. Mungase Wholetime Director
Tenure- Contract Period.	1st October, 2006 to 30th September, 2011 and re appointed for a further period of 5 years with effect from 01st October, 2011 to 30th September, 2016 at the meeting of the Board of Directors held on 10th August 2011	1st October, 2006 to 30th September, 2011 and re appointed for a further period of 5 years with effect from 01st October, 2011 to 30th September, 2016 at the meeting of the Board of Directors held on 10th August 2011	1st October, 2006 to 30th September, 2011 and re appointed for a further period of 5 years with effect from 01st October, 2011 to 30th September, 2016 at the meeting of the Board of Directors held on 10th August 2011
Remuneration—maximum plus commission ,if any, as may decided by Board.	₹ 0.50 Millions p.m.	₹ 0.50 Millions p.m.	₹ 0.50 Millions p.m.

The above Contracts may be terminated by either party giving the other party six months notice or the Company paying six months' salary in lieu thereof. Except the Managing Director and Wholetime Directors, all the members of the Board are liable to retire by rotation.

3. Investors' Grievance and Share Transfer Committee

Investors' Grievance and Share Transfer Committee was constituted on 4th August, 2006. This committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend etc. In addition, the Committee also looks into matters that can facilitate better investor services and relations.

The Committee consists of three members out of which two are Non-Executive Independent Directors viz. Mr. Prakash B. Nimbalkar, Mr. Ajit B. Karnik and one Executive Director Mr. M. Radhakrishnan. Mr. Prakash B. Nimbalkar is the Chairman of the Committee. The Board has appointed Mr. Ashutosh B. Kulkarni, Company Secretary as the Compliance Officer.

During the year under review, the Committee met Four times on 29th May, 2010, 14th August, 2010, 12th November, 2010, 11th February, 2011.

Attendance at the Investors' Grievance and Share Transfer Committee meeting:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash B. Nimbalkar	4	4
Mr. Ajit B. Karnik	4	4
Mr. M. Radhakrishnan	4	4

All shares received for transfer were registered and dispatched within thirty days of receipt, if the documents were correct and valid in all respects. There were no pending share transfers as on 31st March, 2011. During the year under review, the Company had received NIL complaints from shareholders relating to dividend.

4. Executive Committee:

The Management Committee constituted earlier by the Board of Directors was dissolved on 29th May, 2010. The Executive Committee of the Board of Directors was constituted with effect from 1st September, 2009 to whom certain powers and duties has been delegated by the Board of Directors to oversee certain functions including but

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not limited to the following functions broadly:

1. To borrow & avail various credit facilities, loans from banks, financial institutions etc.
2. To recommend Board to take various decisions on financial commitments, roles etc.
3. To discuss on the financials and long term planning, strategic planning relating to business and its affairs of the company.
4. To monitor and control over all units and subsidiary companies operations.
5. Establishing control & supervision on all departments like production, sales. Purchase, HR, IT, Accounts and finance etc.
6. Discussions and decisions on purchase/sale of capital assets etc.
7. Discussions relating to acquisitions/ sale of units/ undertakings, negotiation with parties etc.
8. Business Developments and decisions to be taken in this respect.
9. Any other matter which the Board may from time to time deem fit.

The Executive Committee consists of Mr. Prakash B. Nimbalkar, Mr. S.T. Akhade and Mr. M. Radhakrishnan.

Mr. Prakash B. Nimbalkar is the Chairman of Executive Committee.

During the year under review, the Committee met Twenty two times on 24th April, 2010, 13th May, 2010, 14th June, 2010, 13th July, 2010, 2nd August, 2010, 18th August, 2010, 1st September, 2010, 27th September, 2010, 6th October, 2010, 13th October, 2010, 23rd October, 2010, 10th November, 2010, 22nd November, 2010, 27th November, 2010, 20th December, 2010, 2nd January, 2011, 11th January, 2011, 1st February, 2011, 1st March, 2011, 14th March, 2011, 22nd March, 2011, 26th March, 2011.

Attendance at the Executive Committee meeting:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash B. Nimbalkar	22	22
Mr. Shivaji T. Akhade	22	22
Mr. M. Radhakrishnan	22	20

5. Compensation Committee

The Committee has been constituted to administer and monitor Autoline ESOS Scheme 2008. The Committee consists of four members out of which three are Non- Executive Directors viz. Mr. Prakash Nimbalkar, Mr. Vijay Thanawala, Cmde. N. Ravindranathan and one Executive Director, Mr. M. Radhakrishnan. Mr. Vijay Thanawala is the Chairman of the Committee.

During the year under review, the Committee met once on 12th November, 2010.

Attendance at the Compensation Committee Meeting:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash Nimbalkar	1	1
Mr. Vijay Thanawala	1	1
Cmde. N. Ravindranathan	1	1
Mr. M. Radhakrishnan	1	1

Committee granted 1,60,000 options to 171 employees and 15,000 options to 5 Directors on 12th November 2010. As at 31st March 2011, 4309 options have lapsed/surrendered. Each option represents a right but not obligation to apply for 1 fully paid equity share of Rs.10/- each at the exercise price of Rs.25/-. The options granted vest over 3 year from the date of grant. Disclosure as required by SEBI guidelines on ESOS is annexed to the Directors' report.

C. Genera Body Meetings

Location and time where last three Annual General Meetings (AGMs) were held:

Financial Year, Day & date	Time	Venue	No. of Special Resolution(s) passed
2009-10 14th AGM, Friday, 24th September, 2010	3-00 p.m.	S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed. Pune 410501	<ol style="list-style-type: none"> 1. Consent of the Members to increase the payment in remuneration from ₹ 36,00,000/- per annum to ₹ 60,00,000/- per annum to Mr. Shivaji T. Akhade, Managing Director for the remainder period of his contract of appointment starting from 1st April, 2010 to 30th September, 2011. 2. Consent of the Members to increase the payment in remuneration from ₹ 30,00,000/- per annum to ₹ 60,00,000/- per annum to Mr. M. Radhakrishnan, Jt. Managing Director for the remainder period of his contract of appointment. starting from 1st April, 2010 to 30th September, 2011 3. Consent of the Members to increase the payment in remuneration from ₹ 30,00,000/- per annum to ₹ 60,00,000/- per annum to Mr. Sudhir V. Mungase Wholetime Director for the remainder period of his contract of appointment. starting from 1st April, 2010 to 30th September, 2011
2008-09 13th AGM, Friday, 25th September, 2009	3.00 p.m.	S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed. Pune 410501	<ol style="list-style-type: none"> 1. Consent of the Members to pay remuneration of ₹ 36,00,000/- per annum to Mr. Shivaji T. Akhade, Managing Director for the remainder period of his contract of appointment starting from 1st October, 2009 to 30th September, 2011. 2. Consent of the Members to pay remuneration of ₹ 30,00,000/- per annum to Mr. M. Radhakrishnan, Jt. Managing Director for the remainder period of his contract of appointment. starting from 1st October, 2009 to 30th September, 2011 3. Consent of the Members to pay remuneration of ₹ 30,00,000/- per annum to Mr. Sudhir V. Mungase Wholetime Director for the remainder period of his contract of appointment. starting from 1st October, 2009 to 30th September, 2011
2007-08 12th AGM, Saturday, 27th September, 2008	3.00 p.m.	“Panchshil Hotel”, C-32, MIDC- Telco Road, Chinchwad, Pune 411 019	<ol style="list-style-type: none"> 1. Consent to the Board to create, offer, issue and allot such number of equity shares and/or equity linked instruments and/or any other instruments or securities of the Company not exceeding 8,50,000 Equity Shares at any one point of time under one or more Employees Stock Options Schemes (ESOS) to permanent employees and Directors (except any Director who is Promoter or belongs to promoter group) on such terms and conditions fixed by the Board and each option would be exercisable for one Equity Share of face value of ₹ 10/- each fully paid-up upon payment of requisite exercise price to the Company. 2. Consent to the Board to extend the benefit of ESOS proposed under Item No. 10 of Notice and to offer, issue and allot within the overall limit of 8,50,000 equity shares at any one point of time under one or more ESOS to permanent employees and

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			<p>Directors (except any Director who is Promoter or belongs to promoter group) of Company's present and future subsidiaries whether in India or abroad by creation , offer, issue and allotment of such equity shares and/or equity linked instruments and/or any other instruments or securities of the Company on such terms and conditions fixed by the Board.</p> <p>3. Subject to the approval of Central Government, increase in maximum number of Directors fixed by the Articles of Association of the Company from 12 to 18 and alteration in Article 86 of Articles of Association to that effect.</p>
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Location and time where last Extraordinary General Meeting (EGM) was held-

Financial Year, Day & date	Time	Venue	No. of Special Resolution(s) passed
2007-08 EGM, Tuesday, 3rd June, 2008	11-00 a.m.	"Hotel Kalasagar", P-4, M.I.D.C, Mumbai – Pune Road, Pimpri, Pune: 411 034	<ol style="list-style-type: none"> 1. Consent to the Board to create, offer, issue and allot, from time to time in one or more tranches, not exceeding 12,50,000 equity shares fully paid-up at a price not less than ₹ 235 (including a premium of ₹ 225) per equity share on preferential basis as prescribed under the guidelines for Preferential issues contained in Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. 2. Consent to the Board to create, offer, issue and allot, from time to time in one or more tranches, not exceeding 10,80,000 Warrants (CWs) convertible into equity shares at a price not less than ₹ 250 (including a premium of ₹ 240) per warrant on preferential basis as prescribed under the guidelines for Preferential issues contained in Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. 3. Consent to the Board subject to the approval of the concerned authorities to shift the Registered Office of the Company from "T- 135, MIDC, Bhosari, Pune – 411 026" to "S. Nos. 313, 314, 320 to 323, Nanekarwadi, Taluka – Khed, Dist – Pune 410 501" 4. Noting of the disclosures made in the explanatory statement as required under Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. for the special resolution passed at the Extraordinary General Meeting held on 23rd March, 2007 for issue and allotment of 50,000 equity shares on preferential basis to Mr. Kunju Kutty Aniyam Kunju.

All resolutions as set out in the respective notices were duly passed by the shareholders.

Resolutions passed through Postal Ballot:

During the year 2010-11, the Company has not passed any special resolution through postal ballot.

None of the items to be transacted at the ensuing Annual General meeting is required to be passed by the postal ballot.

D. Disclosures**a) Disclosures on materially significant related party transactions**

The Company has not entered into any transaction of material nature with the Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Related party transactions are disclosed in the Notes to Accounts forming part of this Annual Report. Transactions entered into by the Company with related parties during the year were periodically placed before the Audit Committee for review. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

b) Statutory Compliance, Penalties and Strictures

The Company has complied with the various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital markets. No penalties or strictures have been imposed by them on the Company.

c) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed Generally Accepted Accounting Principles (followed in India) as prescribed in Accounting Standards.

d) Subsidiary Companies

The Company has one material non-listed subsidiary viz- Autoline Industrial Parks Limited, whose net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. The Board of Directors of Autoline Industrial Parks Limited at its meeting held on 13th October, 2008 had appointed Mr. Prakash Nimbalkar (independent and non-executive Director of Autoline Industries Limited) on the Board of Autoline Industrial Parks Limited in order to comply with the clause 49(III) (i) of Listing Agreement.

Besides this the Company does not have any other material non-listed subsidiary in India whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. The Audit Committee of the listed holding Company reviews periodically the financial statements, particularly investments made by unlisted subsidiary Company. The minutes of the Board meetings of the unlisted subsidiary Company (ies) are regularly placed at the Board meeting of the listed holding Company. The management periodically brings to the attention of Board of the listed holding Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.

e) Proceeds from public issues, preferential issues etc:

The Company has placed periodically before the Audit Committee on quarterly basis as a part of quarterly declaration of financial results and published in newspapers periodically statement of utilization of funds raised through public and preferential issues made by the Company. Further the Company has prepared a statement of funds utilized for purposes other than those stated in prospectus and the same were placed before the audit committee. The above statements were certified by statutory auditors and were placed before audit committee meetings and Board Meetings for their consideration and approvals.

f) Risk Management

The Company has a defined Risk Management framework. The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

g) Code of Conduct

The Board of Directors at its meeting held on 4th August, 2006 has adopted code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and members of the senior Management. The code has also been displayed on the Company's website – www.autolineind.com. All Directors and senior management have affirmed compliance with the code. A declaration to this effect signed by Managing Director is given in this annual report.

h) Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct for prevention of Insider Trading' ('the Code') with effect from 1st April, 2007.

The Audit committee and the Board have adopted a Whistle Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or ethics policy.

The code is applicable to all Directors, such designated employees and others who are expected to have access to unpublished price sensitive information relating to the Company. Mr. Ashutosh Kulkarni – Company Secretary has been appointed as Compliance Officer for monitoring adherence to the Regulations.

Means of Communication

The Company normally publishes its quarterly and/or yearly financial results in the leading national newspapers namely The Economic Times and/ or Financial Express and/or Business Standard. In addition, the same are published in local language (Marathi) newspapers namely Daily Loksatta/Maharashtra Times etc. and other editions of leading newspapers.

The Company puts forth vital information about the Company and its performance, quarterly & yearly financial results, official news releases, communication & presentation made to the institutional investors and analysts on Company's official website at www.autolineind.com regularly and also for the benefit of the public at large.

The financial results and shareholding pattern are made available on the Stock Exchange Website - www.sebidifar.nic.in for shareholders/investors information.

II. NON-MANDATORY REQUIREMENTS

- A. Office of the Chairman of the Board and reimbursement of expenses by the Company. The Company is presently reimbursing the expenses incurred in performance of duties.
- B. Shareholders' rights - furnishing of quarterly & yearly financial results. The Company's quarterly & financial results are published in English and Marathi newspapers having wide circulation.
- C. Postal Ballot

The Company will seek shareholders' approval through postal ballot in respect of such resolutions as are laid down in Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as and when the occasion arises.

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges on Code of Corporate Governance, Certificate from Statutory Auditors' of the Company regarding compliance of conditions of Corporate Governance by the Company is annexed. The Statutory Auditors Certificate will also be sent to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the Company's shares are listed, along with the annual return to be filed by the Company.

GENERAL SHAREHOLDERS' INFORMATION

i. Annual general meeting

Day, Date and Time : Friday, 30th December, 2011 at 2.30 p.m.
 Venue : S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed,
 Dist-Pune- 410 501

ii. Financial calendar

Financial year : April 1 to March 31
 Financial reporting (tentative)
 First quarter results : Second week of August, 2011
 Quarterly / Half-yearly results : Second week of November, 2011
 Third quarter results : Second week of February, 2012
 Fourth quarter results : Last week of May, 2012

iii. **Dates of book closure** : From Saturday, 24th December, 2011 to Friday,
 30th December, 2011
 (both days inclusive).

iv. **Dividend payment** : On or after Friday, 30th December, 2011.

v. Listing on Stock Exchanges :

1. Bombay Stock Exchange Limited (BSE), Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India
2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051, India.

vi. Stock code - Scrip code (BSE): 532797, Trading Symbol NSE: AUTOIND

ISIN for Equity shares: INE718H01014

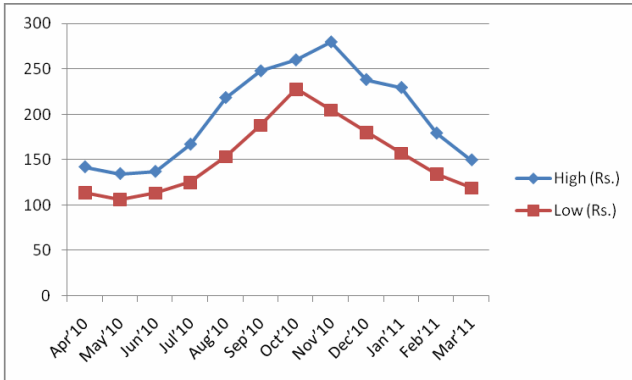
vii. Market price data and share price performance in comparison to broad based indices :

Monthly high and low quotations of shares traded on Stock Exchanges for the period from 1st April, 2010 to 31st March, 2011:

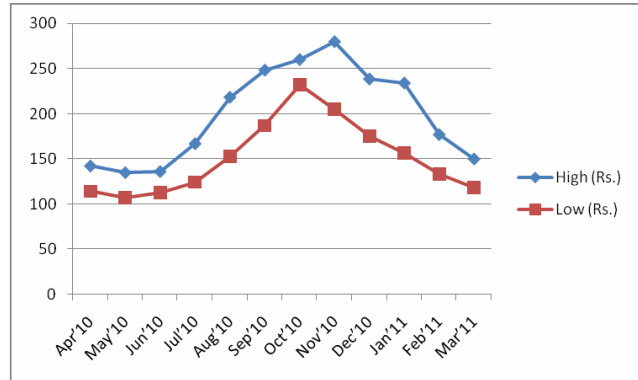
Month	Bombay Stock Exchange Ltd.				National Stock Exchange of India Ltd.			
	AUTOLINE		SENSEX		AUTOLINE		NIFTY	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
Apr'10	142	113.5	18,047.86	17,276.80	142.25	114	5399.65	5160.9
May'10	134.5	106	17,536.86	15,960.15	134.9	107	5278.7	4786.45
Jun'10	136.9	113.3	17,919.62	16,318.39	136.05	113	5366.75	4961.05
Jul'10	166.9	125.15	18,237.56	17,395.58	166.85	124.25	5477.5	5225.6
Aug'10	218.4	153.65	18,475.27	17,819.99	218.3	152.8	5549.8	5348.9
Sep'10	247.85	187.95	20,267.98	18,027.12	248.3	186.8	6073.5	5403.05
Oct'10	260	228	20,854.55	19,768.96	260	232	6284.1	5937.1
Nov'10	279.8	205	21,108.64	18,954.82	279.75	205.1	6335.9	5690.35
Dec'10	238.3	180.25	20,552.03	19,074.57	238.45	175	6147.3	5721.15
Jan'11	229.5	157.1	20,664.80	18,038.48	234	156.2	6181.05	5416.65
Feb'11	179.25	134.25	18,690.97	17,295.62	177	133.45	5599.25	5177.7
Mar'11	149.65	119	19,575.16	17,792.17	150	118.1	5570.75	5373.55

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**Bombay Stock Exchange Limited –
Month wise High and Low**



**National Stock Exchange of India Ltd
Month wise High and Low**



viii. Registrar and Share :

Transfer Agents

ix. Share transfer system :

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

Transfers in physical form have to be lodged with **Link Intime India Pvt. Ltd.** at the above mentioned address. All shares received for transfer were registered and despatched within thirty days of receipt, if the documents were correct and valid in all respects. The time taken to process dematerialisation of shares is 10 days upon receipt of documents from Depository Participant. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with share transfer formalities under Clause 47(c) of Listing Agreement and filing copy of the same with Stock Exchanges.

x. Distribution of shareholding as on 31st March, 2011

No of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-5000	15392	90.8297	14682450	12.0299
5001-10000	755	4.4553	6008350	4.9229
10001-20000	369	2.1775	5621890	4.6062
20001-30000	140	0.8262	3616400	2.9631
30001-40000	52	0.3069	1890020	1.5486
40001-50000	69	0.4072	3262150	2.6728
50001-100000	85	0.5016	6237490	5.1106
100001 and above	84	0.4957	80730940	66.1460
Total	16946	100.00	122049690	100.00

xi Shareholding pattern as on 31st March 2011

Sr. No	Category	No. of shares held	% of holding
(A)	Shareholding of Promoter & promoter group		
I	Indian		
A	Individuals	24,36,567	19.9637
B	Bodies Corporate	10,00,000	8.1934
II	Foreign	—	—
	Total shareholding of promoter and promoter group – (A)	34,36,567	28.1571
(B)	Public shareholding		
I	Institution		
A	Mutual funds	3,83,000	3.1381
B	Banks, Financial Institutions	280	0.0023
C	FIs	3,52,096	2.8849
	Sub total B (I)	7,35,376	6.0252
II	Non Institutions		
A	Bodies corporate	13,21,682	10.8290
B	Individuals holding nominal capital up to ₹ 1 Lac	34,37,776	28.1670
C	Individuals holding nominal capital in excess of ₹ 1 Lac	11,88,733	9.7397
D	Clearing member	1,27,991	1.0487
E	Foreign national	11,163	0.0915
F	Non-resident Indian (repatriation)	3,32,064	2.7207
G	Non-resident Indian (non repatriation)	2,20,542	1.8070
H	Foreign Companies	1,40,223	1.1489
I	Other Directors and relatives	12,52,852	10.2651
	Sub total B (II)	80,33,026	65.8177
	Total Public shareholding B(I) + B(II)	87,68,402	71.8429
(C)	Shares held by custodians against which Depository receipts have been issued	—	—
	TOTAL – (A) +(B)+(C)	1,22,04,969	100.00

xii. Dematerialisation of shares and liquidity

As on 31st March, 2011 total dematted shares are 1,20,84,614 i.e. 99.01 % of paid up equity share capital of the Company was held in dematerialised form.

xiii. Outstanding GDR/warrants or convertible bonds, conversion dates and likely impact on equity: There are no outstanding GDR/warrants or convertible bonds.

xiv. Plant/ unit locations:

- 1) S.No. 825, Kudalwadi, Post Chikhali, Taluka -Haveli, Pune- 412 114
- 2) T-135, MIDC, Bhosari, Pune – 411 026.
- 3) S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka -Khed, Dist-Pune- 410 501
- 4) S. Nos. 313, 314,320 to 323, Nanekarwadi, Chakan, Taluka-Khed, Dist - Pune – 410 501.
- 5) S. No. 613, Mahalunge, Chakan, Taluka- Khed, Dist - Pune- 410 501
- 6) F-II, 24/25 MIDC, Pimpri, Pune- 411 018.
- 7) E-12-17 (7) & (8) , MIDC, Bhosari, Pune – 411 026
- 8) Plot No. 5, 6 and 8 Sector 11,IIE, TML Vendor Park, SIDCUL, Pantnagar, Uttarakhand – 263 153
- 9) 2/86, 7th Avenue, Ashok Nagar, Chennai – 600 083.

Foreign units locations:

- 1) DEP Autoline, INC.USA : 560 Kirts Blvd., Suite 103, Troy, Michigan – 48084, USA.
- 2) Autoline Industries USA, Inc :100, Commerce Street, Butler, IN. 46721 USA.
- 3) Autoline Stampings Limited – 431 – 809 779, Gwanyang-dong,Dong-an-gu Anyang-si, Gysonggi-do, South Korea.
- 4) Koderat Investments Limited – P.O. Box 58184, 2nd Floor, Cassandra Centre, 29, Theklas Lyssioti Street, 3731, Limassol, Cyprus.
- 5) SZ Design Srl & Zagato Srl - Via Arese, 30 – 20017, Terrazzano di Rho (MI) – Italy.

xv. Address for correspondence : Mr. Ashutosh Kulkarni, Company Secretary

Autoline Industries Limited
S.Nos.313, 314,320 to 323, Nanekarwadi,
Chakan, Taluka- Khed, Dist- Pune: 410 501,
Tel : +91 2135- 664857; Fax: +91 2135- 664853/64
Email: ashutosh.kulkarni@autolineind.com
Website: www.autolineind.com

Investor Grievance Cell

Email: investorservices@autolineind.com

CEO & CFO CERTIFICATION

To:

The Board of Directors,

Autoline Industries Limited.

We, M. Radhakrishnan, Managing Director & CEO and Ravi Ketkar, Chief Financial Officer appointed in terms of Clause 49 of the Listing Agreement, certify to the Board that :

- a) The Financial Statements and Cash Flow Statements for the year 1st April, 2010 to 31st March, 2011 have been reviewed and to the best of our knowledge and belief ;
1. these statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
 2. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b) To the best of our knowledge and belief, no transactions entered are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of the Company's internal control system pertaining to financial reporting, disclosing the deficiencies in the design or operation of such internal controls, if any, of which we are aware to the Auditors and the Audit Committee and take steps or proposed to take steps to rectify these deficiencies.
- d) We indicated to the Auditors and Audit Committee:
1. Significant changes in Internal Control Process over financial reporting during the year.
 2. Significant changes in Accounting Policies and that the same have been disclosed in the notes to the financial statements.
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Autoline Industries Limited

For Autoline Industries Limited

Sd/-
(M. Radhakrishnan)
Managing Director & CEO

Sd/-
(Ravi Ketkar)
Chief Financial Officer

Place : Pune
Dated : 30th November, 2011

**DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT
REGARDING ADHERENCE TO CODE OF CONDUCT.**

In accordance with Clause 49 sub clause I(D) of the Listing Agreement with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance to their respective Codes of Conduct as applicable to them for the financial year ended 31st March, 2011.

For Autoline Industries Limited

Place : Pune
Dated : 30th November, 2011

Sd/-
(M. Radhakrishnan)
Managing Director & CEO

AUDITOR'S REPORT

TO,
The Members,

AUTOLINE INDUSTRIES LIMITED.

We have audited the attached **BALANCE SHEET** of **AUTOLINE INDUSTRIES LIMITED** as at **31st March 2011**, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to information and explanation given to us, we enclose in the annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to company.
3. Further to our comments in the Annexure referred to in paragraph 2 above we **Report that:**
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books of accounts.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts.
 - d) *We draw attention to -*
 - (i) *note no.9 in Part B of Schedule "24" regarding non provision for diminishing in value of investment in subsidiary Koderat Investments Ltd. (Cyprus). The note is self explanatory. In the given circumstances we are unable to give our opinion.*
 - e) In our opinion and subject to Note to Accounts Schedule "24", the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the requirement of the Accounting Standard referred to in sub-section (3C) of Section 211 of Companies Act, 1956,.
 - f) On the basis of the written representation received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 for being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
 - g) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with Significant Accounting Policies, and Notes to Accounts in Schedule "24" and subject to our observations in 3(d) above give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In case of the Balance Sheet, of the state of affairs of the Company as on **31st March, 2011**.
 - ii) In the case of the Profit & Loss Account of the **Profit** for the year ended on that date.
 - iii) In case of Cash Flow Statement, of the **Cash Flows** for the year ended on that date.

FOR GUJAR RAWAT SHETH & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REGISTRATION NO: 121347W

PLACE : PUNE.
DATE : 30TH NOVEMBER, 2011

(VIJAY B SHETH)
PARTNER.
MEM. NO. 037634

ANNEXURE TO AUDITOR'S REPORT

[Annexure Referred to in paragraph 2 of the Auditors' Report of even date to the members of AUTOLINE INDUSTRIES LIMITED on the Accounts for the Year Ended on 31st March, 2011]

- 1) In respect of Fixed Assets
 - a) The Company has generally maintained proper records showing particulars including quantitative details and situation of Fixed Assets on the basis of information available.
 - b) According to the information and explanation given to us, the fixed assets are physically verified by the management according to the phased programme which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. On physical verification by the management no major discrepancies between the book record and physical inventory have been noticed.
 - c) In our opinion, the Company has not disposed off a substantial part of its Fixed Assets and the going concern status is not affected.
- 2) In respect of its Inventories: (Excluding stock with third parties and material in transit).
 - a) The inventory of the Company has been physically verified by the Management during the year at regular interval. In our opinion the frequency of verification is reasonable.
 - b) In our opinion, and according to the information and explanations given to us, the procedures as explained to us and which are followed by the Management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) According to the information and explanations given to us no material discrepancies were noticed on physical verification of stocks as compared to book records, minor discrepancies noticed were properly dealt with, in the books of accounts, which were not material considering the size of the Company's operation.
- 3)
 - a) As per the information and explanation given to us, the company has granted unsecured loan to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956. The year end balance is ₹ 11,82,78,065/- and has been given to three parties.
 - b) **The advance given by the Company is to subsidiaries and it is interest free. The terms and conditions on which this advance given is not prejudicial to the interest of the Company.**
 - c&d) There is no prescribed stipulation of repayment of the Advance and is payable on demand and therefore question of overdue amount does not arise.
 - e) As per the information and explanation given to us, the company has taken loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956. The year end balance is NIL and is from one party.
 - f) The advance accepted by the company is from subsidiary company and as such the terms and conditions of this advance is not prejudicial to the interest of the company.
 - g) There is no prescribed stipulation of repayment of the Advance and is payable on demand.
- 4) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased/ services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5) In respect of transaction covered under Section 301 of the Companies Act 1956 :
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the Management we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, and excluding certain transactions of purchase of goods/ services availed and material of special nature for which alternative quotations are not available, where each of such transaction is in excess of five lakh rupees in respect of any party, transactions have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to information and explanation given to us, the Company has complied to the directives issued by the Reserve Bank of India and the provisions of Section 58A and Section 58AA of the Companies Act, 1956 or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to deposits accepted from public. As informed to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any Tribunal.
- 7) In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.

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- 8) The Central Government of India, under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 has prescribed the maintenance of cost records. As informed by the management, the prescribed accounts and records have been made and maintained and the company has also appointed the Cost Auditor. We have, however, not made the examination of the records with a view to determine whether they are accurate.
- 9) a) According to the information and explanations given to us and according to the books and records as produced and examined by us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, E.S.I., Income Tax, Sales Tax (VAT), Wealth Tax, Service Tax, Excise Duty, Customs Duty, Cess and any other material statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given, except for Income Tax, VAT and TDS liability which is paid before the signing of report, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2011, for a period of more than six months from the date they became payable.
- b) As at 31st March 2011, according to the records of the Company and on the basis of information and explanations given to us, except for Income Tax, there are no disputed dues in respect of Sales Tax (VAT), Custom Duty, Wealth Tax, Excise Duty, Service Tax and Cess.
- The disputed amount is in respect of liability under Income Tax Act for Asst. Year 2008-09 relevant to Financial Year 2007-08 is aggregating to Rs.3,42,96,660/- which has not been deposited as at 31st March, 2011. The appeal in respect of same is pending with The Commissioner of Income Tax (Appeals) Pune.
- 10) The company has no accumulated losses as at March 31, 2011, and has not incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- a) Based on our audit procedures and on the information and explanations given by the Management, in our opinion, the Company has not defaulted in repayment of its dues to any financial institution or bank or Debenture holder as at the balance sheet date.
- b) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- c) In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute and provisions applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- d) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- e) In our opinion, and according to the information and explanations given to us, the Company has given corporate guarantee for the loans taken by a subsidiary company from banks or financial institutions. In our opinion the terms and conditions thereof are not prejudicial to the interest of the company.
- f) According to the information and explanation given to us, company has raised term loan during the year. On the basis of the information and explanation given to us and on an overall examination of the financial statements of the company, we are of the opinion that, prima facie the term loan is applied for the purposes for which they were obtained.
- g) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis have been used for long term purposes.
- h) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- i) No debentures have been issued during the year.
- j) During the year the Company has not raised money by public issue.
- k) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

**FOR GUJAR RAWAT SHETH & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REGISTRATION NO: 121347W**

**PLACE : PUNE.
DATE : 30TH NOVEMBER, 2011**

**(VIJAY B SHETH)
PARTNER.
MEM. NO. 037634**

BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	SCH No.	31.03.2011 ₹	31.03.2010 ₹
(1) Owners Funds			
(a) Share Capital	1	122,049,690	122,049,690
(b) Reserves and Surplus	2	1,901,414,558	1,741,323,114
		2,023,464,248	1,863,372,804
(2) Borrowed Funds			
(a) Secured Loans	3	1,667,113,886	1,167,691,013
(b) Unsecured Loans	4	310,215,967	386,100,558
		1,977,329,853	1,553,791,571
(3) Deferred Tax Liability (Net)	5	85,565,829	64,891,500
TOTAL		4,086,359,930	3,482,055,874
APPLICATION OF FUNDS			
(1) Fixed Assets	6		
(a) Gross Block		3,467,787,837	2,600,629,871
(b) Less: Accumulated Depreciation		530,741,999	318,142,958
(c) Net Block		2,937,045,838	2,282,486,913
(2) Investments	7	834,167,295	874,935,920
(3) Current Assets, Loans and Advances			
(a) Inventory	8	343,742,984	253,057,918
(b) Sundry Debtors	9	246,962,411	303,778,180
(c) Cash and Bank Balances	10	138,965,941	83,194,461
(d) Other Current Assets	11	335,024,009	338,120,486
		1,064,695,345	978,151,045
Less : Current Liabilities and Provisions			
(a) Current Liabilities	12	672,194,208	600,870,084
(b) Provisions	13	97,886,185	53,246,974
		770,080,393	654,117,058
Net Current Assets		294,614,952	324,033,987
(4) Miscellaneous Expenses (To the Extent not written off or adjusted)	14	20,531,845	599,054
TOTAL		4,086,359,930	3,482,055,874

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

FOR & ON BEHALF OF THE BOARD

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
MANAGING DIRECTOR AND CEO

PLACE : PUNE
DATE : 30th NOVEMBER, 2011

RAVI KETKAR
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	SCH. NO.	31.03.2011 (₹)	31.03.2010 (₹)
INCOME			
Gross Sales	15	5,382,287,590	3,021,245,435
Less : Excise Duty		405,663,107	225,145,655
Sales (Net)		4,976,624,483	2,796,099,780
Miscellaneous Income	16	14,873,873	29,973,413
(Increase) / Decrease of Finished Goods	17	12,387,297	(369,368)
TOTAL		5,003,885,653	2,825,703,825
EXPENDITURE			
Cost of Material Consumed	18	3,253,399,540	1,765,234,179
Other Manufacturing Expenses	19	705,734,174	433,332,440
Employment Cost	20	291,175,370	143,945,027
Administrative Expenses & General Expenses	21	81,085,194	47,518,715
Selling Expenses	22	70,672,896	55,653,819
Preliminary & Miscellaneous Expenses written off		5,247,886	199,685
Investment written off		500,000	-
TOTAL OPERATING EXPENSES		4,407,815,060	2,445,883,865
Profit before Depreciation, Interest and Tax		596,070,593	379,819,960
Interest and Financial Charges	23	183,226,947	101,941,878
Profit before Depreciation and Tax		412,843,646	277,878,082
Depreciation	6	147,738,170	104,745,733
Profit before Tax		265,105,476	173,132,349
Provision for Income Tax and Wealth Tax		55,190,000	24,500,000
Provision for Deferred Tax Liability (Net)		9,304,000	13,500,000
Profit After Tax		200,611,476	135,132,349
Balance Brought Forward		415,630,383	322,556,441
Amount available for Appropriations		616,241,859	457,688,790
Appropriations			
Dividend (Incl. Dividend Distribution Tax)(Proposed Dividend 30%) (Previous Year final Dividend of 20%)		42,696,185	28,558,407
Transfer to General Reserve		21,000,000	13,500,000
Balance Carried to Balance Sheet		552,545,674	415,630,383
Earning per Share (Basic)(Par Value Rs. 10 each)		16.44	11.07
Earning per Share (on Weighted Average)		16.44	11.52
(Refer Note 14, Notes to Accounts Schedule No. 24)			

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

FOR & ON BEHALF OF THE BOARD

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
MANAGING DIRECTOR AND CEO

PLACE : PUNE
DATE : 30th NOVEMBER, 2011

RAVI KETKAR
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

Cash Flow Statement for the year ended 31st March, 2011

Particulars	31-03-2011 ₹	31-03-2010 ₹
A Cash Flow from Operating Activities		
Net Profit after Tax	200,611,476	135,132,352
Adjustment for :		
Depreciation	147,738,170	104,745,733
Depreciation on Consolidated assets	66,837,340	(8,191,330)
Amortisation of Miscellaneous Expenditure	199,685	199,685
Deferred Tax Liability (Net)	20,674,329	13,500,000
Operating Profit before Working Capital Changes	<u>436,061,000</u>	<u>245,386,440</u>
Adjustment for :		
Trade and Other Receivable	59,912,246	(123,618,711)
Inventories	(90,685,066)	(41,885,717)
Misc. Expenditure	(19,932,791)	-
Trade Payables and Other Payable	115,963,335	212,919,587
Cash Generated from Operations	<u>501,318,724</u>	<u>292,801,599</u>
Net Cash from Operating Activities	<u>501,318,724</u>	<u>292,801,599</u>
B Cash Flow from Investing Activities		
Acquisition of Fixed Assets (Net)	(867,157,966)	(330,187,809)
Investments	40,768,625	(18,713,420)
Net Cash from Investing Activities	<u>(826,389,341)</u>	<u>(348,901,229)</u>
C Cash Flow from Financing Activities		
Proceeds from Borrowings (Net)	423,538,282	155,824,777
Equity Capital & Share Premium	-	-
Dividend	(42,696,185)	(28,558,407)
Employee Stock Option	-	-
	<u>380,842,097</u>	<u>127,266,370</u>
Net Increase / Decrease in Cash & Cash Equivalent	<u>55,771,480</u>	<u>71,166,740</u>
Cash & Cash equivalent as at 01.04.2010	83,194,461	12,027,721
Cash & Cash equivalent as at 31.03.2011	<u>138,965,941</u>	<u>83,194,461</u>
Net Increase / Decrease in Cash & Cash Equivalent	<u>55,771,480</u>	<u>71,166,740</u>

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

FOR & ON BEHALF OF THE BOARD

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
MANAGING DIRECTOR AND CEO

PLACE : PUNE
DATE : 30th NOVEMBER, 2011

RAVI KETKAR
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

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Schedules Forming Part of Balance Sheet as at 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 1 " SHARE CAPITAL</u>		
AUTHORISED SHARE CAPITAL		
29500000 Equity Shares of Rs. 10 each (Previous Year 250,00,000 Equity Shares of Rs.10/- each) As per the Scheme of Amalgamation the authorised capital of the amalgamated companies has been the part of the authorised capital of the company (Refer Note-1, Part B of Sch-24)	295,000,000	250,000,000
TOTAL AUTHORISED SHARE CAPITAL	<u>295,000,000</u>	<u>250,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
122,04,969 Equity Shares of Rs. 10 Each. (Include 20,04,728 Equity Shares of Rs. 10 each, which have been issued as fully paid Bonus Shares by Capitalising Free Reserves and Share Premium and 588,125 Equity Shares of Rs. 10 Each were issued for consideration other than cash.)	122,049,690	122,049,690
TOTAL	<u>122,049,690</u>	<u>122,049,690</u>
<u>SCHEDULE " 2 " RESERVES AND SURPLUS</u>		
<u>REVALUATION RESERVE</u>		
Transferred from Merged entities*	10,982,958	-
Less : Depreciation on Revalued Assets	384,704	-
Closing Balance	<u>10,598,254</u>	-
<u>SHARE PREMIUM</u>		
OPENING BALANCE	1,233,492,728	1,236,542,228
LESS : UTILISED FOR MERGER	7,243,196	-
LESS: DEFERRED TAX ASSET OF SHARE IPO EXPENSES	3,049,500	3,049,500
Closing Balance	<u>1,223,200,032</u>	<u>1,233,492,728</u>
<u>GENERAL RESERVE</u>		
Opening Balance	65,200,000	51,700,000
Add : Transferred from Merged entities*	527,655	-
Add : Transferred during the year	21,000,000	13,500,000
Closing Balance	<u>86,727,655</u>	<u>65,200,000</u>
<u>CAPITAL RESERVE</u>		
Opening Balance	27,000,000	-
Less : Utilised for Merger	27,000,000	27,000,000
Closing Balance	<u>-</u>	<u>27,000,000</u>
<u>EMPLOYEE STOCK OPTIONS</u>		
Employee Stock Options Outstanding	41,028,750	-
Less: Deferred Employee Compensation expenses	36,381,481	-
Closing Balance	<u>4,647,269</u>	-
<u>PROFIT AND LOSS ACCOUNT</u>		
Transferred from Merged entities*	23,695,674	-
Add : During the year	552,545,674	415,630,386
Closing Balance	<u>576,241,348</u>	<u>415,630,386</u>
*Refer Note-1 Part B of Sch-24		
TOTAL	<u>1,901,414,558</u>	<u>1,741,323,114</u>

Schedules Forming Part of Balance Sheet as at 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 3 " SECURED LOANS</u>		
Bank of Baroda TL	45,509,140	-
Bank of Baroda TL	163,009,997	-
The Catholic Syrian Bank Ltd. TL	17,332,680	-
The Catholic Syrian Bank Ltd. TL	341,038,363	-
Axis Bank Limited TL	29,960,998	-
Axis Bank Limited TL	450,616,439	-
Citi Bank ECB Loan	-	286,997,920
Citi Bank Term Loan	-	62,500,000
State Bank of India Term Loan A/c No.5012	-	66,789,676
State Bank of India Term Loan A/c No.9134	-	69,657,381
Union Bank of India Term Loan A/c No.146	-	75,700,051
State Bank of India CC A/c No. 2546	-	151,396,272
Axis Bank Limited CC A/c No. 417	-	150,788,896
Union Bank of India CC A/c No.45	-	151,435,119
State Bank of India Loan A/c No.335	-	50,325,220
The Catholic Syrian Bank Ltd. (CC A/c)	149,163,717	-
DBS Bank Ltd	-	70,000,000
Tata Capital Ltd	28,424	32,085,453
Bank of Baroda CC A/c	338,849,891	-
NKGSB Bank Term Loan	80,655,432	-
Vidya Sahakari Bank Ltd HP Loan	13,398,953	-
Vidya Sahakari Bank Ltd CC	2,529,871	-
NKGSB Bank CC A/C	32,299,719	-
<p>(Axis bank loan are secured by charge on all Fixed assets of the Company Except situated at Chakan II and Uttarakhand.)</p> <p>(The Catholic Syrian bank loans are secured by First Charge on Fixed assets of the company situated at Chakan II and Second Charge on Fixed assets of the company situated at Uttarakhand.)</p> <p>(Bank of Baroda Loans are secured by First Charge on Fixed assets of the company situated at Uttarakhand and Second Charge on Fixed assets of the company situated at Chakan II.)</p> <p>(The term loan from NKGSB Bank & Vidya Sahakari Bank has been secured by charge on land, building, plant & machinery and other fixed assets of the company at Pune & Rudrapur.</p> <p>The working capital loan from the above banks have been secured by current assets of the company.</p>		
Vehicle Loans		
Tata Motors Finance Ltd.	2,720,262	15,025
<p>[The above Loans have been secured by hypothecation of Vehicles owned by the Company.]</p> <p>Out of the above,the loan repayable within one year is Rs.20 Crores</p>		
TOTAL	1,667,113,886	1,167,691,013
<u>SCHEDULE " 4 " UNSECURED LOANS</u>		
Unsecured Loan (Sales Tax Deferral)	26,599,316	26,599,316
Unsecured Loan (Others)	283,616,651	359,501,242
TOTAL	310,215,967	386,100,558
<u>SCHEDULE " 5 " DEFERRED TAX LIABILITY</u>		
DEFERRED TAX LIABILITY	86,438,529	68,813,700
DEFERRED TAX ASSETS	872,700	3,922,200
DEFERRED TAX LIABILITY (NET)	85,565,829	64,891,500

STATEMENTS OF ACCOUNTS OF AUTOLINE INDUSTRIES LIMITED GROUP

Schedules Forming Part of Balance Sheet as at 31st March 2011

SCHEDULE 6 : FIXED ASSETS :

Sr No	ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK			
		AS ON 01.04.2010	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2011	AS ON 01.04.2010	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
1	LAND & DEVELOPMENT	123,939,980	-	-	-	123,939,980	1,530,512	-	-	-	1,530,512	122,409,468	122,409,468
2	BUILDING	658,700,275	165,640,678	-	-	824,340,953	61,884,042	22,455,559	-	-	84,339,601	740,001,352	596,816,233
3	PLANT & MACHINERY	979,329,234	326,500,383	-	8,896,583	1,296,933,033	146,594,631	46,838,134	-	1,408,143	192,024,622	1,104,908,411	832,734,603
4	TOOLS AND DIES	284,076,446	154,814,685	-	-	438,891,131	75,883,274	33,575,179	-	-	109,458,453	329,432,678	208,193,172
5	COMPUTERS AND SOFTWARES	63,557,222	12,601,486	-	-	76,158,707	26,439,008	11,004,279	-	-	37,443,287	38,715,420	37,118,214
6	ELECTRICAL FITTINGS	87,566,480	10,341,043	-	-	97,907,523	16,862,492	5,491,034	-	-	22,353,526	75,553,997	70,703,988
7	FURNITURE	17,641,878	4,157,309	-	-	21,799,187	4,932,330	1,101,998	-	-	6,034,328	15,764,859	12,709,548
8	VEHICLES	19,954,427	7,814,722	-	-	27,769,149	8,005,698	2,110,461	-	-	10,116,159	17,652,990	11,948,729
9	OFFICE EQUIPMENTS	9,782,321	1,552,769	-	-	11,335,090	2,438,292	688,074	-	-	3,126,366	8,208,723	7,344,028
10	CAPITAL WIP	499,290,663	109,322,292	294,214,010	-	314,398,945	-	-	-	-	-	314,398,945	499,290,663
11	R & D PROCESS DEVELOPMENT	194,134,394	-	-	-	194,134,394	31,290,376	19,413,259	-	-	50,703,635	143,430,759	162,844,018
12	INTANGIBLE ASSETS	26,600,000	13,300,000	-	-	39,900,000	7,980,000	5,436,563	-	-	13,416,563	26,483,437	18,620,000
13	WATER COOLER	46,294	-	-	-	46,294	26,991	1,222	-	-	28,213	18,081	19,303
14	SITE DEVELOPMENT	212,951	-	-	-	212,951	139,121	7,113	-	-	146,234	66,717	73,830
15	TRADE MARK	20,500	-	-	-	20,500	20,500	-	-	-	20,500	-	-
	TOTAL	2,964,853,065	806,045,367	294,214,010	8,896,583	3,467,787,837	384,027,268	148,122,875	-	1,408,143	530,741,999	2,937,045,838	2,580,825,797

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Schedules Forming Part of Balance Sheet as at 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
SCHEDULE " 7 " INVESTMENTS AT COST		
(UNLESS OTHERWISE STATED)		
Investments		
Unquoted in Subsidiary Companies		
Western Pressing Ltd.		
13,00,000 Shares of ₹ 10 each fully paid)	-	19,500,000
Autoline Design Software Ltd.		
(21,40,816 Shares of ₹ 10 each fully paid)	36,788,900	36,788,900
(14,12,926 12% Cumulative Redeemable Pref. Shares of ₹ 10 each fully paid)	14,129,260	14,129,260
Autoline Industrial Parks Ltd.		
(2,48,19,994 Eq. Shares of ₹ 10 each fully paid)	165,499,940	165,499,940
Nirmiti Autocomponents Pvt. Ltd.		
(1,92,062 Shares of ₹ 100 each fully paid)	-	46,949,396
Autoline Industries USA Inc (USD 900,000)		
(1,00,000 Shares/ Stock of \$ 1 each fully paid)	41,477,860	35,811,000
(8,00,000 Shares/ Stock Application money of \$ 1 each)		
DEP Autoline Inc USA		
(30,600 Stock/ Shares of \$ 1 each fully paid)	324,362,719	313,029,000
Nuvent Technologies Pvt. Ltd.		
(25500 Equity Shares of ₹ 10/- each fully paid)	255,000	255,000
Koderat Investments Limited (Cyprus)		
(1000 Shares/ Stock of Euro 1 each fully paid)	67,280	67,280
(Share Application Money)		
(Advance for investment in SZ Design SRL Italy to Koderat Investments Ltd.)	249,864,486	241,527,594
Other Investments-Long Term		
Unquoted		
Rupee Co-op. Bank Ltd.		
	878,050	878,550
Vasantdada Shetkari Sahakari Bank Ltd.		
	-	500,000
Cosmos Bank Equity Shares		
	132,800	
Saraswat Bank Equity Shares		
	10,000	
NKGSB Bank Equity Shares		
	201,000	
Vidya Sahakari Bank Ltd Equity Shares		
	500,000	
TOTAL	834,167,295	874,935,920
SCHEDULE " 8 " INVENTORY		
Finished Goods		
	41,317,539	22,315,279
Work-in-progress		
	51,350,408	35,251,147
Raw Material, Consumables & Bought outs		
	249,834,559	194,130,014
Stock In Transit		
	1,240,478	1,361,478
(As taken, valued and certified by the Management)		
TOTAL	343,742,984	253,057,918
SCHEDULE " 9 " SUNDRY DEBTORS		
(Unsecured and Considered Good)		
Less Than 6 Months		
	241,396,527	297,249,582
More Than 6 Months		
	5,565,884	6,528,598
TOTAL	246,962,411	303,778,180
SCHEDULE " 10 " CASH AND BANK BALANCE		
Cash in hand		
	1,659,098	85,466
Balance with Scheduled Banks		
	6,087,938	982,635
Balance with Other Banks		
	17,765,100	33,035,457
(Of the Above ₹ 5,07,196/- is outstanding in dividend unpaid account)		
Fixed Deposits with Banks		
	113,453,805	49,090,903
TOTAL	138,965,941	83,194,461

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Schedules Forming Part of Balance Sheet as at 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
SCHEDULE " 11 " OTHER CURRENT ASSETS		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR THE VALUE TO BE RECEIVED		
Income Tax & FBT (NET)	57,481,665	28,873,251
Excise , Service Tax Incl. Edu. Cess	141,538,650	136,165,287
Deposit Govt Authorities	12,152,308	10,169,595
Trade Deposits	117,862	1,787,268
Advance for Suppliers	-	1,500,000
Subsidiary Company Account		
Autoline Design Software Ltd	20,464,399	23,971,764
Autoline Industries USA Inc	70,088,000	87,607,076
Nirmiti Autocomponents Pvt. Ltd	-	45,000,000
Autoline Industrial Parks Ltd.	27,725,666	-
Other Current Account		
Prepaid Expenses	5,455,459	3,046,245
TOTAL	335,024,009	338,120,486
SCHEDULE " 12 " CURRENT LIABILITIES		
Sundry Creditors for Goods and Services	533,063,330	312,825,625
Sundry Creditors for Capital Goods	50,908,752	222,729,177
OTHER CURRENT LIABILITIES :		
TDS Payable	8,816,786	4,508,056
Profession Tax Payable- (Employees)	147,785	93,500
Outstanding Expenses	48,169,321	23,048,301
Sales Tax Payable	19,434,377	25,946,579
Deposit - Indian Scrap Merchant	-	5,000,000
Wages and Salary Payable	10,440,351	5,672,062
Service Tax Payable	706,310	591,186
Unclaimed Interim Dividend (08-09)	137,140	152,441
Unclaimed Final Dividend (07-08)	121,325	121,325
Unclaimed Interim Dividend (07-08)	111,506	113,246
Unclaimed Dividend (06-07)	68,361	68,586
Unclaimed Dividend (09-10)	68,864	-
TOTAL	672,194,208	600,870,084
SCHEDULE " 13 " PROVISIONS		
Provision for Income Tax , FBT & Wealth Tax	55,190,000	24,500,000
Dividend (Incl. Dividend Tax) Payable	42,696,185	28,746,974
TOTAL	97,886,185	53,246,974
SCHEDULE " 14 " MISCELLANEOUS EXPENSES (ASSET)		
(To the extent not written off)		
(A) Share Issue Expenses		
Opening Balance	599,054	798,739
Add: During the Year	115,772	-
	714,826	798,739
Less: Written off during the year	234,905	199,685
Balance Share Issue Expenses	479,921	599,054
(B) Deferred Revenue Expenditure		
During the Year	25,064,905	-
	25,064,905	-
Less: Written off during the year	5,012,981	-
Balance Deferred Revenue Expenditure	20,051,924	-
TOTAL (A+B)	20,531,845	599,054

Schedules Forming Part of Profit & Loss Account for the year ending on 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 15 " SALES</u>		
Sales	5,382,287,590	3,021,245,435
(Including Excise Duty and Labour Charges)		
	<u>5,382,287,590</u>	<u>3,021,245,435</u>
<u>SCHEDULE " 16 " MISCELLANEOUS INCOME</u>		
Interest Received	10,018,290	4,585,218
Other Income	4,720,313	12,916,981
Dividend Received	22,710	
Profit on Sale of Shares	-	340,211
Foreign Exchange Fluctuation (Profit) /Loss (Net)	-	12,131,003
Profit on Sale of Assets	112,560	
	<u>14,873,873</u>	<u>29,973,413</u>
<u>SCHEDULE " 17 " INCREASE/(DECREASE) IN</u>		
<u>FINISHED GOODS</u>		
Opening Stock	28,930,242	25,184,647
Closing Stock	41,317,539	24,815,279
Change In Stock	<u>12,387,297</u>	<u>(369,368)</u>
<u>SCHEDULE " 18 " COST OF MATERIAL CONSUMED</u>		
Opening Stock	256,356,399	185,987,554
Purchases (Raw Material, Consumables, Stores and Spares)	3,299,468,586	1,807,489,264
Closing Stock	302,425,445	228,242,639
MATERIAL CONSUMED	<u>3,253,399,540</u>	<u>1,765,234,179</u>
<u>SCHEDULE " 19 " OTHER DIRECT COSTS</u>		
Labour Charges	154,419,238	81,830,126
Labour Welfare	5,357,427	3,061,454
Power And Fuel	69,406,254	44,035,019
Sales Tax And Duties	415,562,704	265,693,174
Water Charges	2,816,314	1,630,792
Crane Hire Charges (Other)	387,584	514,179
Transport And Octroi	57,784,653	36,567,696
	<u>705,734,174</u>	<u>433,332,440</u>
<u>SCHEDULE " 20 " EMPLOYMENT COST</u>		
Salaries, Wages And Bonus	274,865,986	136,810,700
Contribution to Provident and Other Funds	7,624,297	3,337,663
Workmen and Staff Welfare Expenses	8,685,087	3,796,664
TOTAL	<u>291,175,370</u>	<u>143,945,027</u>

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Schedules Forming Part of Profit & Loss Account for the year ending on 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
SCHEDULE " 21 " ADMINISTRATIVE COST		
A.G.M. / E.G.M. Expenses	8,305	7,810
Advertisement Expenses	609,136	208,002
Books and Periodicals	26,387	101,858
Commission to Non Executive Directors	2,400,000	1,600,000
Directors Sitting Fees	1,025,000	810,000
Donations	100,000	79,614
Foreign Travelling Expenses	1,625,655	1,126,079
Insurance	3,689,303	3,581,674
Membership and Subscription	958,541	195,141
Office & Miscellaneous Expenses	3,246,766	1,347,120
Payment to Auditors	2,575,500	1,983,998
Postage and Telephone	6,433,618	3,899,256
Printing and Stationery	2,880,031	2,727,580
Professional, Consultancy & legal Charges	23,371,482	6,241,540
Rates and Taxes	1,901,887	1,661,300
Rent	175,534	3,224,870
Repairs and Maintenance		
Repairs and Maintenance- Computer	802,071	338,616
ERP Expenses	508,269	-
Repairs and Maintenance- Building	634,276	1,112,153
Repairs and Maintenance- Others	2,541,904	1,927,417
Repairs and Maintenance- Plant and Machinery	5,360,410	2,989,986
Security Charges/Service charges	8,759,113	5,132,316
Sundry Balances written off (Net)	731,430	56,826
Testing & Inspection Charges	1,065,071	1,217,162
Travel and Conveyance	6,989,986	3,857,975
Vehicle Insurance	188,214	392,536
Vehicle Repair & Maintenance	2,185,129	1,435,148
Weighing Charges	292,176	262,738
	81,085,194	47,518,715
SCHEDULE " 22 " - SELLING EXPENSES		
Discount & Rate Diff (Others)	4,552,940	2,682,496
Discount & Rate Diff (TML)	34,893,271	37,186,313
Transport Charges	30,279,875	15,166,933
Sales Promotion Expenses	946,810	618,077
	70,672,896	55,653,819
SCHEDULE " 23 " - INTEREST AND FINANCIAL		
Bank Charges / Commission	1,625,090	1,947,121
Letter of Credit Charges	16,556,210	9,779,959
Foreign Exchange Fluctuation Loss (Net)	13,566,467	-
Interest on Cash Credit	62,463,419	54,849,736
Interest on Term Loan	77,370,284	10,384,293
Interest Paid (Vehicle Loan & Other)	8,075,445	23,245,548
Term Loan Processing Charges	3,570,032	1,735,221
	183,226,947	101,941,878

NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2011.

SCHEDULE : “ 24 “

ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011.

A] ACCOUNTING POLICIES / COMPLIANCE OF ACCOUNTING STANDARDS WHEREVER APPLICABLE :

1. **System of Accounting :** The financial statements have been prepared on historical cost convention and as a going concern and in accordance with Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties and in respect of ECB/ Deposit of Citi Bank (refer Note-10). Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and trade practices. Estimates and Assumptions used in the preparation of financial statements are based upon the management's evaluation of the relevant fact and the circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.
2. **Inventories :** Inventories are valued at cost or net realizable value whichever is lower; cost is ascertained on the following basis :
 - a) Raw Material, Packing Material, tools, spares and consumable are valued at cost on FIFO Basis plus Direct cost incurred to bring the stock to its existing level.
 - b) Work in progress/ Finished Goods are valued at cost of manufacturing based on cost of Raw material and labour and overheads cost up to the relevant stage of completion.
 - c) Cost includes taxes and duties as applicable.
3. **Fixed Assets and Depreciation :** Fixed Assets are accounted at cost of acquisition or construction. Fixed assets are capitalized net of Cenvat / VAT for which credit is taken and includes borrowing cost directly attributable to construction or acquisition of fixed assets, up to the date the asset is ready to use. Foreign Exchange loss on loan taken, which is directly attributable to construction or acquisition of Fixed Assets is also capitalized. Depreciation on all tangible assets has been calculated on Straight Line Method (SLM) as per the rates and manner prescribed under Schedule XIV of the Companies Act, 1956. Other intangible assets are written off over the period of 5 years. Except for items where 100% depreciation rate is applicable, depreciation on fixed assets, added/ disposed off during the year, is provided on pro-rata monthly basis with reference to date of addition / disposal. In case of revalued Asset, the Depreciation calculated as per above method, and the difference between revalued value and original value is reduced from the total Depreciation and same is also reduced from the Revaluation Reserve.
4. **Revenue Recognition :** Sales are accounted on gross basis inclusive of Sales Tax and Excise Duty less sales Returns/ rejection. Revenue from sale of products is recognized upon passage of title to the customer on acceptance of goods which generally coincides with the dispatch of materials. Dividend Income is recognized when the right to receive the dividend is unconditional at the Balance Sheet date.
5. **Research & Development :** Research & Development expenditure incurred on the identified product/ process is carried forward when its future recoverability can reasonably be regarded as assured. Expenditure incurred till the commencement of production / process is carried forward under capital work in process. The expenditure carried forward is amortized over the period of expected future sales from the related product/ process, not exceeding ten years. The carrying value of Research & Development cost is reviewed for impairment annually when the asset is not yet in use and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.
6. **Foreign Currency Transactions :** Foreign Exchange transactions are accounted for at exchange rate prevailing on the date of transactions. Year-end monetary asset and liabilities in foreign currency are translated at the applicable year-end exchange rate and the resultant difference in case of revenue item is recognized as gain / loss for the year and in case of capital account the same is adjusted against the respective fixed asset. The premium or discount arising on forward exchange contract including those entered into, to hedge foreign currency risk of a firm commitment or highly probable forecast transaction other than those which are not intended for trading or speculative purpose, are amortized as expenses or income over the life of the contract. Exchange difference on such contract is recognized in the profit & loss account of the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or as expense of the year. The Company has decided not to exercise the option available under amendment to AS-11 relating to “the effects of changes in Foreign Exchange Rates” in respect of its long term foreign currency monetary items and accordingly is continuing to follow the principles laid down in AS 11 before such amendment.
7. **Investments :** Investments are recorded at cost of purchase. Interest earned on Bank Fixed Deposit is accounted on receipt basis. Unquoted investments are accounted at cost. & Provision for diminution in value of long term investment is made, to recognize a decline other than temporary.
8. **Retirement Benefit Costs** Contribution to Provident Fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation Of India Ltd. The liability in respect of Bonus and for Leave Encashment is provided on actual basis.

9. **Employee Stock Options:** Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share –Based Payments' issued by ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value, if any ,of the stock option as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit & loss account on vesting basis over the vesting period of the option .The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option outstanding , which is shown under Reserves & Surplus.
10. **Borrowing Costs** Borrowing costs that are directly attributable to the acquisition, construction or production of fixed assets are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.
11. **Taxes on Income :** Tax Expenses for the year, comprising Current Tax including Wealth Tax, and is included in determining the net profit for the year. A provision is made for the current tax and based on tax liability computed in accordance with relevant tax rates and tax laws.
12. **Deferred Tax- Asset/ Liability:** The Accounting Standard 22 viz. "Accounting for Taxes on Income" issued by the Institute of Chartered accountants of India, has become applicable to the Company. The Deferred Tax is recognized for all timing differences being the difference between "Taxable Income" and "Accounting Income" that originate in one period, and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.
13. **Miscellaneous Expenditure :** Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.
14. **Deferred Revenue Expenditure :** The deferred revenue expenditure is considered in respect of Bank Processing fees, professional fees paid for new term loans, the period of which is more than 5 years and foreclosure charges in respect of term loan foreclosed. The same is written off over the period of loan taken / original period of loan foreclosed.
15. **Impairment of Assets :** The Management periodically assesses, using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes impairment loss as the excess of carrying amount of the asset over recoverable amount.
16. **Provisions & Contingent Liabilities :** The company recognizes provisions when there is a present legal or constructive obligation as a result of past event that probably require an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.
17. **Capital work in Progress :** The Expenditure in the nature of Capital and the assets for which it is incurred which has not come into existence/ put to use during the year is shown under this heading and includes R & D Expenses for process development till the date of Balance Sheet. Research & Development expenses made till 31.03.2011 is written off over 10 years.
18. **Insurance Claims :** Claims receivable from Insurance Companies against risks covered are accounted on in the year of receipt of claim.
19. **Tools & Dies :** Tools & Dies designed/ manufactured in house have been capitalized considering direct cost of the material, wages paid to tool room employees, and other incidental expenses and proportionate overheads including borrowing cost related there to.

B] NOTES TO ACCOUNTS :

1. **Amalgamation** The Hon'ble High Court of Judicature at Mumbai has approved, on November 18, 2011. the arrangement as embodied in the Scheme of Amalgamation ("the Scheme") of the erstwhile Nirmiti Autocomponents Private Limited & Western Pressing Limited, the transferor company, with the Autoline Industries Limited ,the transferee company, on complying with the requisite formalities by the Company. The Scheme is effective from 23rd November, 2011("the effective date"), operative retrospectively from 1st April, 2010, the appointed date as per the Scheme. Accordingly, the whole of the undertaking of Nirmiti Autocomponents Private Limited & Western Pressing Limited (transferor company) was transferred to and vested in the company as a going concern and Nirmiti Autocomponents Private Limited & Western Pressing Limited, without any further act, was dissolved without winding up. The company held 100% share capital of both companies as on effective date with a carrying amount ₹ 4,69,49,396/- of Nirmiti Autocomponents Private Limited & ₹ 19,50,0000 of Western Pressing Limited.

Nirmiti Autocomponents Private Limited & Western Pressing Limited engage in dealing and manufacturing of pressed sheet metal auto components and assemblies.

As per the Scheme, the said transaction is recorded in such a manner so that with effect from the appointed date, all assets and liabilities are vested in the company, The amalgamation has been accounted for under the method as prescribed by the court order. Accordingly, all assets, liabilities and reserves of the transferor companies as on 1st April, 2010 have been recorded by the company at their respective amount. The difference between the excess of the net assets taken over after reduction of the existing shareholding in the transferor company has been debited in Capital reserve after adjusting Goodwill. Details are given as under.

Sr.No	Particulars	Amount in ₹
A	Nirmiti Autocomponents Private Limited (NACPL)	
1	Share Capital Held By Autoline Industries Ltd (100%)	1,92,06,200
2	Investment In Shares of NACPL by Autoline Industries Ltd.	4,69,49,396
3	Goodwill On Amalgamation with NACPL (1-2)	2,77,43,196
B	Western Pressing Limited (WPL)	
4	Share Capital Held By Autoline Industries.Ltd (100%)	1,30,00,000
5	Investment In Shares of WPL by Autoline Industries Ltd.	1,95,00,000
6	Goodwill On Amalgamation with WPL (4-5)	65,00,000
	Total Goodwill on Amalgamation (3+6)	3,42,43,196
C	Goodwill Adjusted Against :	
1)	Capital Reserve	2,70,00,000
2)	Share Premium	72,43,196

With effect from the Appointed Date, all debts, liabilities, duties and obligations of the transferor company as on the close of the business on the date preceding the appointed date, whether or not provided in the books of transferor company and all liabilities which arise or accrue on or after the appointed date shall be deemed to be the debts, liabilities, duties and obligation of the Company.

In terms of the scheme, there are no equity shares issued and allotted, as these companies are 100% subsidiaries.

In the view of the amalgamation of Nirmiti Autocomponents Private Limited & Western Pressing Limited with Autoline Industries Limited effective April 1, 2010. The figures for the current year are not directly comparable to those of previous year. The short / excess of the value of the assets taken over, adjusted for the aggregate value of investment held in transferor company has been debited to Capital reserve and balance in Share Premium.

The amalgamation was accounted for under the "Pooling of interest method" as prescribed by Accounting Standard-14 "Accounting for Amalgamation" issued by ICAI. Accordingly assets & liabilities of amalgamated companies have been accounted as follows

- 1) The assets and liabilities as at 1st April, 2010 were incorporated in the financial statements at book value of the company.
- 2) Credit balance of General Reserve of ₹ 1,30,517/- and ₹ 2,25,81,492/- appearing in Profit and Loss account in Nirmiti Autocomponent Private Limited and General Reserve ₹ 397,138/-, Revaluation Reserve ₹ 1,05,98,255/-, Profit and Loss account of ₹ 20,55,325/- of Western Pressing Limited as at 1st April, 2010 was adjusted in opening Surplus of Profit And Loss account as specified in the scheme of amalgamation.
- 3) 1,92,062 Equity shares of ₹ 100/- each fully paid up in Nirmiti Autocomponents Private Limited & 13,00,000 Equity shares of ₹ 10/- each fully paid up in Western Pressing Limited held as an investment by the Company have been extinguished & the difference in the amount of investment and amount of extinguishment ₹ 2,77,43,196 in the case of Nirmiti Autocomponent Private Limited ₹ 65,00,000 in case of Western Pressing Limited is transfer to Capital Reserve and share premium as per Scheme of amalgamation.

Estimated amount of Contracts remaining to be executed on capital account and not provided for ₹ 80,00,00,000/- (Previous Year ₹ 50,00,00,000/-)

2. **Contingent Liabilities :**

1. **Export Obligation** Export Obligation in respect of saving in Custom Duty on Import of Machinery was to be completed up to 23/05/2010. The said period has now been extended up to 19/05/2012.

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2. Contingent Liability on account of Bank Guarantees for Export Obligation ₹ 13,18,356/-.
3. Corporate Guarantee of USD \$61,50,000 is given on behalf of Autoline Industries Indiana LLC, USA in favour of Tower Bank Trust Company and USD \$10,00,000 in favour of Supplier Mill Steel Co.

3. **Amount Due to Small Scale Industrial Undertakings :**

- a) In the absence of complete information in respect of status of each creditor, the company is not in a position to identify the amount payable to small scale and ancillary undertakings under the provisions of "Interest on delayed payments to Small scale and Ancillary Undertaking Act 1993" Accordingly it is not possible to quantify the extent of overdue interest payable and outstanding amount to any S.S.I creditor for more than 30 days under the said Act
- b) The Information pertaining to micro and small enterprises as required to be disclosed in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not readily ascertainable and hence not disclosed.
- c) Interest paid to SSI undertakings for delay in payment – Nil.(Previous year – Nil)

4. **Current Assets :**

In the opinion of the Management, Current Assets and Loans and Advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known liabilities are made and the same are adequate and not in excess of the amount reasonably necessary.

5. Letters for confirmation of balances with respect to Sundry Debtors, Sundry Creditors have been sent for which confirmations are yet to be received for reconciliation and no consequential adjustments, if any, have been made in the books of accounts and the balances are as per books of accounts.
6. Bonus, ₹ 54,45,000/- for the year ended 31st March 2011 has been provided in the books of accounts on actual basis. Leave Encashment has been provided for ₹ 28,48,442/- on the basis of leave earned by the employees and is paid in the subsequent year.

7. **Managerial Remuneration :**

Computation of Net Profit under Section 349 read with Section 198 of the Companies Act 1956

Particulars	2010-2011 ₹ in Lacs.	2009-2010 ₹ in Lacs.
Net Profit for the Year Before Tax	2651.05	1,747.32
Add : Managerial Remuneration	190.25	104.10
Less : Extra Ordinary Profit - Net Profit Computed under Section 349	2,841.30	1,851.42
Details of Managerial Remuneration		
Commission to Independent / Non Executive Directors	24.00	16.00
Directors Remuneration	180.00	96.00
Independent Directors Sitting Fees	10.25	8.0010
Total :	214.25	120.10

Maximum Commission payable to Non Executive Directors

At 1 % of ₹ 2841.30 Lacs i.e. ₹ 28.41 Lacs (Prev. Year at 1% of ₹ 1851.42 Lacs i.e. ₹ 18.51 Lacs)

Provision made for year 2010-11 Rs. 24.00 Lacs (Prev Year ₹ 16.00 Lacs)

Maximum Remuneration Payable to whole time Directors At 10% of ₹ 2841.30 Lacs i.e. ₹ 284.13 Lacs (Prev Year at 10% of ₹ 1851.42 Lacs i.e. ₹ 185.14 Lacs) Actual Remuneration Paid Rs.180.00 Lacs (Prev Year ₹ 96.00 Lacs)

8. **Investment in Subsidiary / Associate Companies :**

Investments in subsidiary / associate companies are shown at cost and the profit and loss of the subsidiary companies are not dealt with in the books of the company. The Company has invested Euro 3.84 Million plus incidental expenses (Bal on 31.03.2011 in INR ₹ 24,98,64,486) in wholly owned subsidiary, Koderat Investments Ltd. (Cyprus). In turn the subsidiary utilized the same for investment in S.Z. Design SRL and Zaggato SRL Milan Italy. S.Z. Design SRL and Zaggato SRL Milan Italy have issued 49% of equity shares to Koderat Investments Ltd(Cyprus). Further to Note-10 on page-77 in Notes to Accounts of the Annual Report 2010, Concordato Preventivo procedure under Italian Laws, originally scheduled on 20th September, 2011 was postponed to 20th October, 2011 and was finally held on 9th November, 2011. At the hearing held on 9th November, 2011 the required majorities for

the approval of the Concordato Preventivo under the Italian Laws have been reached, although the Tax Authorities have again voted against the proposal. Based on information gathered, the process of Concordato Preventivo will take more time to conclude and then a clear picture will emerge.

9. **Set-off of External Commercial Borrowings of Citi Bank against pledged fixed Deposits:**

During the year the ECB from Citibank has been fully converted into INR and the company has created and pledged fixed deposits with CITI Bank of the amount which together with interest on fixed deposit will take care of installments loan amount due along with interest. The last installment due in on 11th Oct 2012. The total balance of loan amount outstanding as on 31st March, 2011 of ₹ 21,48,52,494/- which has been reduced from the amount of fixed deposits with Citi Bank. The interest on ECB loan and interest due on Fixed deposit is accounted as per the amount credited/debited by the Bank.

10. **Deferred Tax Asset / Liability:**

The deferred tax liability (Net) for the year under consideration amounting to ₹ 93,04,000/- has been recognized in Profit & Loss Account. The Provision for Deferred Tax Liability for the current year of ₹ 93,04,000/- is provided on the timing difference of the expenditure, depreciation and write offs.

2010-11

A The Movement of deferred Tax account is as follows.

Deferred Tax Liability :

Opening Balance :	6,48,91,500
Add : Transferred from merged entities	83,20,829
Add: Current Year Provision	1,23,53,500
Closing Balance	8,55,65,829

B Deferred Tax asset and liabilities are being off-set as they relate to taxes on income levies by the same governing taxation laws.

The following amounts are shown in the Balance Sheet

DeferredTax Liabilities	8,64,38,529
Deferred Tax Asset	8,72,700
Deferred Tax Liabilities (Net)	8,55,65,829

C **Break Up of Deferred Tax Assets / Liabilities.**

Deferred Tax Liabilities :

Tax impact of the difference between carrying amount of fixed assets in financial statement and in income Tax return for the current year	6,88,13,700
Add: Transferred from merged entities	83,20,829
Add: Current Year Provision (Net)	93,04,000
Total	8,20,05,428

Deferred Tax Assets :

Tax impact of expenses allowable as deduction in future years under Income Tax :	39,22,200
<u>Less:Transferred to share premium a/c</u>	30,49,500
Total	8,72,700

11. **Segment Reporting :**

The company is in the business of dealing and manufacturing of pressed sheet metal auto components and assemblies which are used in the manufacturing of the main product and labour charges for manufacturing of the main product. All other activities of the company revolve around the main business. The entire operations are governed by the same set of risk and returns. Further export of good being negligible, the company is considered to be operating in one geographical segment. Hence operations have been considered as representing a single segment. As such there are no reportable segments as defined by Accounting Standard 17 on the segment reporting as issued by the Institute of Chartered Accountants of India.

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12. **Employee Stock Option Scheme :**

During the year company granted option to employee under Employee Stock Option Scheme as follow

- (a) The compensation committee of the Board granted 1,60,000 options to 171 employees and 15,000 options to 5 independent Directors on 12th November 2010 at exercise price of ₹ 25/-The vesting period is spread over more than 3 year upto 1st April 2014.One option is convertible into one share of ₹ 10/-
- (b) The employee compensation cost on account of this grant applicable for the year is ₹ 46,47,269/- which is debited to profit and loss account under the head employment cost.

13. **Earning Per Share :**

	2010-2011	Amount In ₹ 2009-10
(a) Profit After Tax	20,06,11,476	13,51,32,352
(b) The Weighted Average number of equity shares	1,22,04,969	1,22,04,969
Shares of ₹ 10 Each		
Earnings per Share (Weighted Average)	16.44	11.07
(c) No of shares on year end date	1,22,04,969	1,22,04,969
Earning per Share (Basic)	16.44	11.07

14. **Related Party Transactions :**

Related Party Disclosure as required by Accounting Standard 18 for the year ended 31/03/2011

Key Management Personnel & their Relatives

Mr. Shivaji Akhade	Managing Director
Mr. M. Radhakrishnan	Managing Director and CEO w.e.f. 10.08.2011
Mr. Sudhir Mungase	Wholetime Director
Mr. Prakash B. Nimbalkar	Chairman (Non-Executive)
Mr. Vilas Lande	Chairman Emeritus
Mrs. Rema Radhakrishnan	Relative of Director.

Entities where key management Personnel or relatives of Key Management Personnel have significant influence

- A) Autoline Design Software Ltd.
- B) Autoline Industrial Parks Ltd.
- C) Autoline Industries USA Inc.
- D) Balaji Enterprises
- E) Shreeja Enterprises
- F) Siddhai Platers Private Limited
- G) Sumeet Developers
- H) Om Sai Transport Co.
- I) Autoline Stampings Ltd. Korea
- K) Koderat Investments Ltd.
- L) Hotel Vishwa Vilas
- M) Hotel Aishwarya Restaurant

Nature of Transactions	Key management personnel & their relatives amount (₹)	To / from other entities amount (₹)
Directors Remuneration	1,80,00,000	—
Commission to Non Executive / Independent Directors	24,00,000	
Independent Directors Sitting Fees	10,25,000	
Other Remuneration/ Professional Charges	19,85,400	
Labour Charges & Material Supply (Purchase)	—	2,93,20,507
Sales of Material	—	5,23,22,252
Rent Received	—	12
Repairs & maintenance Charges	—	3,97,080
Computer Aided Services	—	1,09,48,540
Transportation	—	1,12,77,893
Lodging & boarding charges	—	1,77,086
Interest Paid	—	1,11,77,945
Management Fees received	—	33,09,000

Note:

- 1) Related party relationship is as identified by the company and relied upon by the Auditors.
- 2) Related party transactions have been reported at their Gross Values (i.e. including taxes)

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ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE VI OF THE COMPANIES ACT 1956.

Particulars	2010-2011		2009-2010	
15. Particulars in Respect of Licensed Capacity, Installed Capacity and Actual Production :		N.A.		N.A.
16. Sales : (Including Vat & Excise) Value (₹ In Lacs)		53822.88		30212.45
Quantity in MT		77851.35		43700.38
17. Closing Stock :	MT	Amount ₹ In Lacs	MT	Amount ₹ In Lacs
Raw Material Including material lying with third party and material in transit	3722.49	2238.35	2789.11	1677.10
Work in Process	857.84	513.50	588.89	352.51
Finished Goods	617.97	413.18	371.15	248.15
Stores, Spares, Consumables, Boughtouts, scrap & other Misc Manufacturing Material		272.40		252.81
18. Imported & Indigenous Raw Materials & Stores Consumed:				
Indigenous Raw Material Consumed including Stores, Spares, Bought outs Consumed (Qty given for Raw Material.)	58686.23	32994.69	32149.02	18074.89
19. Value of imports on CIF Basis :				
- Capital Goods		71,70,584		1,01,97,000
- Repairs & Maintenance		42,431		
- Purchase		33,18,550		
20. Expenditure in Foreign Currency				
- Interest –(Bank)		5,47,55,009		4,21,94,794
- Repayment of Loan		13,62,09,150		2,74,551
- Foreign Travel		6,68,408		
- Professional, Legal Fees And Bank Charges		58,67,202		34,08,266
21. Amount Remitted during the year in foreign currency		10,41,714		14,72,136
- Dividend to Foreign Corporates (Paid for the F.Y. 2009-2010, USD 23,216, Paid to 6 Shareholders, No. Of Shares:5,20,857)				
22. Earnings in foreign exchange				
- Exports		3,66,34,834		2,28,80,779
23. Amount received during the year in foreign currency		2,58,35,783		87,11,718
24. Managerial Remuneration :				
Shivaji Akhade		60,00,000		36,00,000
Sudhir Mungase		60,00,000		30,00,000
M Radhakrishnan		60,00,000		30,00,000
TOTAL		1,80,00,000		96,00,000
25. Auditors Remuneration includes :		2010-2011		2009-2010
		Rs.		Rs.
Statutory Audit Fees		18,09,000		9,00,000
Fees for Income Tax matter		2,48,000		2,20,000
Fees for Certification work		4,03,000		3,70,000
Service Tax		2,53,380		1,53,470
		27,13,380		16,43,470

26. Previous Year's figures have been regrouped wherever necessary to make comparable with the current year classification.

AS PER OUR REPORT OF EVEN DATE ATTACHED

**FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W**

FOR & ON BEHALF OF THE BOARD

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
MANAGING DIRECTOR AND CEO

**PLACE : PUNE
DATE : 30th NOVEMBER, 2011**

RAVI KETKAR
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

CONSOLIDATED FINANCIAL STATEMENT
AUDITOR'S REPORT.

To,

The Board of Directors,

AUTOLINE INDUSTRIES LIMITED

Pune.

- 1) We have examined the attached consolidated Balance Sheet of Autoline Industries Limited ('the Company') and its subsidiaries ("the Group") as at **31st March 2011**, and also the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which includes the unaudited financial statements of Autoline Industries USA INC and DEP Autoline INC, USA reviewed by other Auditors, Nuvent Technologies Private Limited audited by other Auditors and unaudited financial statement of Koderat Investments Limited. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We did not audit the financial statements of the following subsidiaries. These financial statements have been audited / reviewed by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amount included in respect of these subsidiaries, is based solely on the report of the other auditor and representation of management. The total assets as at 31st March, 2011 and total revenue for the year then ended, in respect of these subsidiaries are as under –

(₹ In Lacs)

Name of the company	Total Assets	Total Revenue
Autoline Industries USA, INC	5029.02	14,406.28
DEP Autoline INC, USA	1825.80	2055.88
Nuvent Technologies Private Limited	349.93	336.90
Koderat Investments Limited	2459.68	(7.38)

- 3) We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting frame work and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 4) We report that Consolidated Financial Statement have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statements , Accounting Standard (AS) 23 Accounting for investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 Financial Reporting of Interest in Joint ventures, issued by the Institute of Chartered Accountants of India and on the basis of separate audited/certified financial statements of the Autoline Industries Limited and its subsidiaries included in the consolidated financial statements.
- 5) *Without qualifying our opinion we draw attention to –*
Note no.2 in Part-B of Schedule "25" regarding non provision for diminishing in value of investment in subsidiary Koderat Investments Ltd. (Cyprus) in the books of Autoline Industries Ltd. The note is self explanatory. In the given circumstances we are unable to give our opinion
- 6) On the basis of the information and explanation given to us and on the consideration of the separate Audit/ review Report of other Auditors on separate financial statements and on other financial information of the components and to the best of our information and according to the explanations given to us, subject to our observations in para 5 above we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

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- i) In case of consolidated Balance Sheet of the consolidated state of affairs of the company and its subsidiaries as on **31st March, 2011**.
- ii) In case of consolidated Profit & Loss Account of the consolidated results of the company and its subsidiaries for year ended on that date.
- iii) In case of consolidated Cash Flow Statement, of the consolidated cash flows of company and its subsidiaries for year ended on that date.

**FOR GUJAR RAWAT SHETH & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REGISTRATION NO: 121347W**

**PLACE : PUNE.
DATE : 30TH NOVEMBER, 2011**

**(VIJAY B SHETH)
PARTNER.
MEM. NO. 037634**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	SCH No.	31.03.2011 ₹	31.03.2010 ₹
A] SOURCES OF FUNDS			
(1) Shareholders Funds			
(a) Share Capital	1	147,049,690	122,049,690
(b) Reserves and Surplus	2	2,338,078,042	2,146,182,012
(c) Minority Interest		431,407,800	387,332,295
		<u>2,916,535,532</u>	<u>2,655,563,997</u>
(2) Borrowed Funds			
(a) Secured Loans	3	1,943,532,982	1,530,545,721
(b) Unsecured Loans	4	332,155,880	281,626,655
		<u>2,275,688,862</u>	<u>1,812,172,376</u>
(3) Deferred Tax Liability (Net)	5	88,439,640	76,069,939
TOTAL		<u>5,280,664,034</u>	<u>4,543,806,312</u>
B] APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block		3,756,203,328	3,208,173,911
(b) Less: Accumulated Depreciation		592,862,607	439,695,668
Add : Goodwill on Consolidation		423,988,500	361,425,264
(c) Net Block		<u>3,587,329,221</u>	<u>3,129,903,507</u>
(2) Investments	7	247,329,302	243,860,680
(3) Current Assets, Loans and Advances			
(a) Inventory	8	411,649,754	336,163,278
(b) Sundry Debtors	9	578,041,405	802,204,126
(c) Cash and Bank Balances	10	30,733,521	74,042,378
(d) Other Current Assets	11	1,243,769,389	936,426,580
		<u>2,264,194,069</u>	<u>2,148,836,362</u>
Less : Current Liabilities and Provisions			
Current Liabilities	12	758,887,305	940,024,497
Provisions	13	97,886,185	66,054,094
		<u>856,773,490</u>	<u>1,006,078,591</u>
Net Current Assets			
(4) Miscellaneous Expenses (Asset)	14	1,407,420,579	1,142,757,771
Significant Accounting Policies and Notes to Accounts	25	38,584,932	27,284,354
TOTAL		<u>5,280,664,034</u>	<u>4,543,806,312</u>

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
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FIRM REGISTRATION NO. 121347W

FOR & ON BEHALF OF THE BOARD

VIJAY B SHETH
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M. NO. 037634

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SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
MANAGING DIRECTOR AND CEO

PLACE : PUNE
DATE : 30th NOVEMBER, 2011

RAVIKETKAR
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	SCH. NO.	31.03.2011 (₹)	31.03.2010 (₹)
A] INCOME			
Gross Sales	15	7,011,579,372	4,747,464,970
Less : Excise Duty		405,663,107	236,822,660
Sales (Net)		6,605,916,265	4,510,642,310
Miscellaneous Income	16	30,105,556	9,060,673
Increase/ Decrease of Finished Goods	17	24,704,915	(10,635,911)
TOTAL		6,660,726,736	4,509,067,072
B] EXPENDITURE			
Cost of Material Consumed	18	4,118,041,351	2,700,056,135
Other Manufacturing Expenses	19	1,012,764,739	741,897,758
Administrative Expenses	20	256,963,755	153,850,240
Employment Cost	21	465,964,509	320,476,119
Selling Expenses	22	74,402,901	46,809,416
Preliminary & Miscellaneous Expenses written off	23	5,973,486	962,653
Investment Written off		500,000	-
TOTAL OPERATING EXPENSES		5,934,610,741	3,964,052,321
C] Consolidated Profit before Depreciation,		726,115,995	545,014,751
Interest & Tax.			
Interest and Financial Charges	24	185,466,350	110,080,129
Consolidated Profit before Depreciation & Tax		540,649,645	434,934,622
Depreciation	6	186,638,662	168,277,312
D] Consolidated Profit before Tax		354,010,983	266,657,310
Provision for Tax & Wealth Tax		62,647,063	35,106,936
Provision for Fringe Benefit Tax			
Provision for Tax (Last Year Short Provision)		-	52,802
Excess Provision Written Back			
Provision for Deferred Tax Liability (Net)		9,304,000	14,527,875
E] Consolidated Profit After Tax But Before		282,059,920	216,969,697
Deducting Minority Interest			
Minority Interest		8,665,410	11,002,087
Consolidated Profit For The Year Attributable		273,394,510	205,967,610
To The Group			
Balance Brought Forward		-	-
Amount available for Appropriations		273,394,510	205,967,610
Appropriations			
Dividend (Incl. Dividend Tax) (Proposed Final)		42,696,185	28,558,407
Transfer to General Reserve		21,000,000	13,500,000
F] Net Consolidated Profit transferred		209,698,325	163,909,203
To Reserve & Surplus			
Earning per Share (Par Value ₹ 10 each)			
Basic Earning		22.40	16.88
Weighted Earning		22.40	16.88
Weighted average number of Shares used in computing Weighted Earning		12,204,969	12,204,969
Significant Accounting Policies and Notes to Accounts	25		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

FOR & ON BEHALF OF THE BOARD

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
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SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
MANAGING DIRECTOR AND CEO

PLACE : PUNE
DATE : 30th NOVEMBER, 2011

RAVI KETKAR
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

Cash Flow Statement for the year ended 31st March, 2011 (Consolidated)

Particulars	31-Mar-11 ₹	31-Mar-10 ₹
A) Cash Flow from Operating Activities		
Net Profit after Tax Before Dividend	273,394,510	205,967,610
Adjustment for :		
Depreciation	186,638,662	168,277,312
Depreciation on Assets Deducted	(33,471,723)	(47,142,063)
Amortisation of Miscellaneous Expenditure	6,473,486	962,653
Deferred Tax Liability (Net)	12,369,701	16,631,129
Operating Profit before Working Capital Changes	445,404,636	344,696,641
Adjustment for :		
Trade and Other Receivable	(83,180,088)	(290,725,386)
Inventories	(75,486,476)	(27,926,006)
Trade Payables and Other Payable	(149,305,101)	147,483,298
Increase in Minority Interest	8,665,410	6,930,198
Increase in Misc Expenses	17,274,064	20,284,752
Goodwill on Consolidation	(1,124,895)	(39,490,872)
Cash Generated from Operations	162,247,549	161,252,624
Net Cash from Operating Activities	162,247,549	161,252,624
B) Cash Flow from Investing Activities		
Acquisition of Fixed Assets (Net)	(647,908,083)	(405,803,407)
Investments	(3,468,622)	(18,649,706)
Net Cash from Investing Activities	(651,376,706)	(424,453,114)
C) Cash Flow from Financing Activities		
Proceeds from Borrowings (Net)	463,516,486	340,126,329
Equity Capital & Share Premium	25,000,000	(3,049,500)
Dividend	(42,696,185)	(28,558,407)
Net Cash from Financing Activities	445,820,301	308,518,422
Net Increase in Cash & Cash Equivalent	(43,308,857)	45,317,931
Cash & Cash equivalent as at 01.04.2010	74,042,378	28,724,447
Cash & Cash equivalent as at 31.03.2011	30,733,521	74,042,378
Net Increase / (Decrease) in Cash & Cash Equivalent	(43,308,857)	45,317,931

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

FOR & ON BEHALF OF THE BOARD

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
MANAGING DIRECTOR AND CEO

PLACE : PUNE
DATE : 30th NOVEMBER, 2011

RAVIKETKAR
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

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Schedules Forming Part of Balance Sheet as at 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 1 " SHARE CAPITAL</u>		
AUTHORISED SHARE CAPITAL		
25000000 Equity Shares of ₹ 10 each (Previous Year 15000000 Equity Shares of ₹ 10 each)	250,000,000	250,000,000
TOTAL AUTHORISED SHARE CAPITAL	250,000,000	250,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
1,22,04,969 Equity Shares of ₹ 10 Each. (During the period 12,50,000 Equity shares of ₹ 10 each were issued, allotted on preferential basis for Cash consideration) (Prev. Year 1,09,54,969 Equity Shares of ₹10 each.) (Include 20,04,728 Equity Shares of ₹ 10 each, which have been issued as fully paid Bonus Shares by Capitalising Free Reserves and Share Premium and 588125 Equity Shares of ₹ 10 Each. were issued for consideration other than cash.)	122,049,690	122,049,690
Share Application Money (Autoline Industrial Parks Ltd.)	25,000,000	
TOTAL	147,049,690	122,049,690
<u>SCHEDULE " 2 " RESERVES AND SURPLUS</u>		
<u>REVALUATION RESERVE</u>		
Opening Balance	10,982,958	11,367,662
Less : Depreciation on Revalued Assets	384,704	384,704
Closing Balance	10,598,254	10,982,958
<u>SHARE PREMIUM</u>		
Opening Balance	1,413,950,176	1,416,999,676
Less: During the Year	10,292,696	3,049,500
	1,403,657,480	1,413,950,176
<u>CAPITAL RESERVE</u>		
Opening Balance	27,000,000	-
Less : Transferred During the Year	27,000,000	27,000,000
	-	27,000,000
<u>GENERAL RESERVE</u>		
Opening Balance	65,727,655	52,227,655
Add : Transferred During the Year	21,000,000	13,500,000
	86,727,655	65,727,655
<u>PROFIT AND LOSS ACCOUNT</u>		
	544,933,861	381,024,662
Add: During The Year	209,698,325	163,909,199
	754,632,186	544,933,861
<u>EXCHANGE DIFFERENCE ON CONSOLIDATION</u>		
	77,815,198	83,587,362
	77,815,198	83,587,362
<u>EMPLOYEE STOCK OPTIONS</u>		
Employee Stock Options Outstanding	41,028,750	-
Less: Deferred Employee Compensation expenses	36,381,481	-
	4,647,269	-
TOTAL	2,338,078,042	2,146,182,012
<u>MINORITY INTEREST</u>		
Minority Interest - Capital	238,938,893	238,921,445
Minority Interest - Current Year's Profit	8,665,410	11,002,087
Minority Interest - Retained Earning	54,695,531	43,733,711
Minority Interest - Share Premium	129,107,966	93,675,052
TOTAL	431,407,800	387,332,295

Schedules Forming Part of Balance Sheet as at 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 3 " SECURED LOANS</u>		
Citi Bank Term Loan	-	62,500,000
Loan At Butler	158,434,142	75,228,082
Citi Bank ECB Loan	-	286,997,920
Lasalle Bank (FC CC)	8,190,634	7,383,811
Barclays Bank (INR CC)	-	453,620,287
Axis Bank Term Loan	480,577,437	-
Bank of Baroda CC	338,849,891	-
Bank of Baroda TL	208,519,137	-
The Catholic Syrian Bank Ltd. CC	149,163,717	-
The Catholic Syrian Bank Ltd. TL	358,371,043	-
Working Capital Loan (USA Butler)	66,600,550	112,413,346
Tooling Loan (USA Butler)	32,809,725	35,213,989
State Bank Of India (Corporate Loan)	-	186,772,277
Union Bank of India Term Loan A/c No.146	-	75,700,051
DBS Bank Ltd	-	70,000,000
Tata Capital Ltd	28,424	32,085,453
HDFC Loan (Nuvent)	10,384,045	11,000,000
NKGSB Bank Term Loan	80,655,432	60,372,402
Vidya Sahakari Bank Ltd HP Loan	13,398,953	13,806,000
Vidya Sahakari Bank Ltd CC	2,529,871	2,532,411
NKGSB Bank CC A/C	32,299,719	44,395,172
<p>(The Term Loans have been Secured against mortgage of the immovable properties of the company. The Working Capital Facilities have been secured by Hypothecation of Current Assets and Movable Assets of the Company, both existing and future. (Except Vehicles) Further the above Loans have been secured by the Personal Guarantees of Promoter/ Directors of the Company.]</p>		
Vehicle Loans		
HDFC Bank		
HDFC Bank	-	146,645
Tata Motors Finance Ltd.	2,720,262	67,513
Cosmos Bank	-	310,362
[The above Loans have been secured by hypothecation of Vehicles owned by the Company.]		
TOTAL	<u>1,943,532,982</u>	<u>1,530,545,721</u>
<u>SCHEDULE " 4 " UNSECURED LOANS</u>		
Unsecured Loan (Sales Tax Deferral)	26,599,316	26,599,316
Unsecured Loan (Others)	299,850,604	194,708,529
Loan from Share Holders	5,705,960	60,318,810
TOTAL	<u>332,155,880</u>	<u>281,626,655</u>
<u>SCHEDULE " 5 " DEFERRED TAX LIABILITY</u>		
DEFERRED TAX LIABILITY	92,361,840	76,069,939
DEFERRED TAX ASSETS	3,922,200	-
DEFERRED TAX LIABILITY (NET)	<u>88,439,640</u>	<u>76,069,939</u>

CONSOLIDATED STATEMENTS OF ACCOUNTS OF AUTOLINE INDUSTRIES LIMITED GROUP

Schedules Forming Part of Balance Sheet as at 31st March 2011

SCHEDULE 6 : FIXED ASSETS :

Sr No	ASSET	GROSS BLOCK					DEPRECIATION					NET BLOCK		
		AS ON 01.04.2010	ADJUSTMENT/ EXCHANGE RATE FLUCTUATION	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2011	AS ON 01.04.2010	FOR THE YEAR	ADJUSTMENT/ EXCHANGE RATE FLUCTUATION	DEDUCTIONS	AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
1	LAND & DEVELOPMENT	123,939,980		-	-	-	123,939,980	1,530,512	-	-	-	1,530,512	122,409,468	122,409,468
2	BUILDING	658,700,275		165,640,678	-	-	824,340,953	61,884,042	22,455,559	-	-	84,339,601	740,001,352	596,816,233
3	PLANT & MACHINERY	986,312,036		327,023,613	-	8,896,583	1,304,439,066	151,159,357	47,653,049	-	1,408,143	197,404,263	1,107,034,803	835,152,679
4	TOOLS AND DIES	284,076,446		154,814,685	-	-	438,891,131	75,883,274	33,575,179	-	-	109,458,453	329,432,678	208,193,172
5	COMPUTERS AND SOFTWARES	82,953,251		12,692,333	-	-	95,645,583	42,058,890	12,534,221	-	-	54,593,111	41,052,472	40,894,361
6	ELECTRICAL FITTINGS	87,566,480		10,341,043	-	-	97,907,523	16,862,492	5,491,034	-	-	22,353,526	75,553,997	70,703,988
7	FURNITURE	21,874,949		4,157,309	-	-	26,032,258	7,074,929	1,450,581	-	-	8,525,510	17,506,748	14,800,020
8	VEHICLES	19,954,427		7,814,722	-	-	27,769,149	8,005,698	2,110,461	-	-	10,116,159	17,652,990	11,948,729
9	OFFICE EQUIPMENTS	9,886,502		1,552,769	-	-	11,439,271	2,461,477	693,800	-	-	3,155,277	8,283,993	7,425,024
10	CAPITAL WIP	499,290,663		109,322,292	294,214,010	-	314,398,945	-	-	-	-	-	314,398,945	499,290,663
11	R & D PROCESS DEVELOPMENT	207,137,638		1,480,000	-	-	208,617,638	33,891,025	22,507,242	-	-	56,398,267	152,219,371	173,246,613
12	MATERIAL HANDLING EQUIPMENTS	-		-	-	-	-	-	-	-	-	-	-	-
13	INTANGIBLE ASSETS	26,600,000		13,300,000	-	-	39,900,000	7,980,000	5,436,563	-	-	13,416,563	26,483,437	18,620,000
14	WATER COOLER	46,294		-	-	-	46,294	26,991	1,222	-	-	28,213	18,081	19,303
15	SITE DEVELOPMENT	212,951		-	-	-	212,951	139,121	7,113	-	-	146,234	66,717	73,830
16	TRADE MARK	20,500		-	-	-	20,500	20,500	-	-	-	20,500	-	-
17	DEP AUTOLINE INDUSTRIES USA	114,992,526	(398,222)	-	179,692	-	114,414,612	5,527,252	6,760,743	1,740,631	-	10,547,364	103,867,247	109,465,273
18	AUTOLINE INDUSTRIES USA INC.	107,751,843	(345,856)	26,859,742	-	6,078,254	128,187,475	25,190,052	25,961,895	29,754,252	568,642	20,829,053	107,358,421	82,561,791
	TOTAL	3,231,316,760	(744,078)	834,999,185	294,393,702	14,974,837	3,756,203,328	439,695,613	186,638,662	31,494,883	1,976,785	592,862,607	3,163,340,722	2,791,621,147

Schedules Forming Part of Balance Sheet as at 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 7 " INVESTMENTS</u>		
<u>Quoted</u>		
Mutual Fund	116,676	111,736
<u>Unquoted</u>		
Rupee Co-op. Bank Ltd.	878,050	878,550
Vasantdada Shetkari Sahakari Bank Ltd.	-	500,000
Cosmos Bank	132,800	132,800
Investment in SZ Design SRL	245,490,776	241,527,594
Saraswat Bank	10,000	10,000
NKGSB Bank Equity Shares	201,000	200,000
Vidya Sahakari Bank Ltd Equity Shares	500,000	500,000
TOTAL	247,329,302	243,860,680
<u>SCHEDULE " 8 " INVENTORY</u>		
Finished Goods	53,635,157	31,502,192
Work-in-progress	76,853,638	61,353,622
Raw Material, Consumables & Boughtouts	279,920,481	238,392,058
Stock In Transit	1,240,478	4,915,406
(As taken, valued and certified by the Management)		
TOTAL	411,649,754	336,163,278
<u>SCHEDULE " 9 " SUNDRY DEBTORS</u>		
(Unsecured and Considered Good)		
Less than 6 Months	526,002,681	760,943,019
More than 6 Months	52,038,724	41,261,107
TOTAL	578,041,405	802,204,126
<u>SCHEDULE " 10 " CASH AND BANK BALANCE</u>		
Cash in hand	1,833,400	1,724,921
Balance with Scheduled Banks	7,836,799	12,248,811
Balance with Non Scheduled Banks	18,759,444	33,087,694
Overseas Bank	2,303,878	26,980,952
TOTAL	30,733,521	74,042,378

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Schedules Forming Part of Balance Sheet as at 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
SCHEDULE " 11 " OTHER CURRENT ASSETS		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR THE VALUE TO BE RECEIVED		
Advance Income Tax & TDS	57,679,165	38,566,261
Excise , Service Tax Incl. Edu. Cess	141,850,603	139,238,166
Trade Deposits & Advance	191,760	1,787,268
Other Deposit	12,515,036	11,627,337
Fixed Deposits with Bank	115,288,793	49,542,369
EMD	-	53,760
Loan & Advances (Staff & Other)	475,811	75,218
Sales Tax Refund Receivable	-	480
Prepaid Expenses	5,895,720	3,543,299
Advance for purchase of Land	26,306,350	48,097,600
Other Current Asset	79,782,969	57,384,297
Land & Development	803,783,182	585,328,956
Loan & Advances	-	1,181,569
TOTAL	1,243,769,389	936,426,580
SCHEDULE " 12 " CURRENT LIABILITIES		
Sundry Creditors (for goods & Services)		
Creditors for Capital Goods	611,026,612	738,495,969
	52,222,752	109,353,312
OTHER CURRENT LIABILITIES :		
TDS Payable	9,598,337	7,709,036
Provident Fund Payable	101,070	138,150
Profession Tax Payable	244,455	180,415
Outstanding Expenses	63,362,902	46,586,366
Government Duties Payable	21,823,981	37,105,651
Unclaimed Dividend	507,196	455,598
Acquisition Cost Payable	-	-
TOTAL	758,887,305	940,024,497
SCHEDULE " 13 " PROVISIONS		
Provision for Income Tax & FBT	55,190,000	37,307,120
Dividend (Incl. Dividend Tax) Payable	42,696,185	28,746,974
TOTAL	97,886,185	66,054,094
SCHEDULE " 14 " MISCELLANEOUS EXPENSES (ASSET)		
Miscellaneous & Preliminary Expenses	23,096,296	4,002,770
Acquisition Cost	15,488,636	23,281,584
TOTAL	38,584,932	27,284,354

Schedules Forming Part of Profit & Loss Account for the year ending on 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 15 " SALES</u>		
SALES (Including Trading Sales & Excise Duty)	6,955,115,248	4,670,993,373
Engineering Services - Domestic	23,463,023	23,568,513
Engineering Services - Export	33,001,101	39,551,525
Sale - Education, Industry, AMC	-	13,351,559
	<u>7,011,579,372</u>	<u>4,747,464,970</u>
<u>SCHEDULE " 16 " MISCELLANEOUS INCOME</u>		
Interest Received	34,754,014	5,158,618
Misc. Income	(4,788,667)	3,269,053
Profit on sale of Fixed Assets	112,560	-
Profit on sale of Investments	-	629,457
Dividend Received	27,649	3,545
	<u>30,105,556</u>	<u>9,060,673</u>
<u>SCHEDULE " 17 " INCREASE/ DECREASE IN</u>		
<u>FINISHED GOODS</u>		
Opening Stock	28,930,242	37,066,153
Closing Stock	53,635,157	26,430,242
Change In Stock	<u>24,704,915</u>	<u>(10,635,911)</u>
<u>SCHEDULE " 18 " COST OF MATERIAL CONSUMED</u>		
Opening Stock	307,233,036	271,171,119
Purchases (Raw Material, Consumables, Trading goods, Stores and Spares)	4,168,822,912	2,738,618,052
Closing Stock	358,014,597	309,733,036
MATERIAL CONSUMED	<u>4,118,041,351</u>	<u>2,700,056,135</u>
<u>SCHEDULE " 19 " OTHER MANUFACTURING EXPENSES</u>		
Labour Charges	225,091,672	182,340,920
Power And Fuel	84,551,398	65,507,753
Transport And Octroi	101,749,367	93,153,172
Sales Tax And Duties	415,534,639	297,166,491
Cost of Revenue & Other Direct Expenses	131,079,641	61,157,082
Labour Welfare	54,758,022	42,572,340
TOTAL	<u>1,012,764,739</u>	<u>741,897,758</u>

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Schedules Forming Part of Profit & Loss Account for the year ending on 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 20 " ADMINISTRATIVE COST</u>		
A.G.M. / E.G.M. Expenses	8,305	7,810
Account Writing Charges	12,000	136,072
Advertisement Expenses	1,092,769	650,678
Books and periodicals	169,985	434,148
Bad debts w/off	952	-
Commission to Non Executive Directors	2,400,000	1,600,000
Directors Sitting Fees	1,065,000	845,000
Donations	247,726	174,599
Electricity, Power & Fuel Charges	663,011	1,177,336
Foreign Fluctuation Loss	13,708,703	(7,468,726)
Hire Charges	387,584	514,179
Insurance	26,373,488	19,272,277
Internet Charges	1,004,401	316,443
Job Work Charges	207,753	260,080
Legal and Professional Charges	30,093,573	13,850,076
License Fees & Filing Fees	-	10,072
Management Fees	185,400	1,685,400
Membership and Subscription	958,541	195,141
Office & Misc. Expenses	31,841,559	5,010,452
Outside Services	19,597,863	9,216,888
ERP Expenses	508,269	-
Payment to Auditors (Internal/Statutory)	2,817,916	1,721,180
Payroll Tax Expenses (USA)	16,529,353	14,219,150
Other Administrative Expenses	13,736,929	-
Other Charges	-	83,720
Postage and Telephone	8,627,614	9,622,114
Printing and Stationery	2,983,921	6,507,863
Rent, Rates and Taxes	15,177,472	11,171,296
Repairs and Maintenance	27,880,282	33,734,468
Research & Development Expenses	4,186,483	2,754,271
Security Charges/Service charges	8,830,727	6,562,299
STPI Expenses	-	100,000
Sundry Balances written off	731,430	93,104
Testing & Inspection Charges	1,065,071	1,279,842
Travel and Conveyance	17,901,114	14,488,629
Vehicle Expenses	2,860,071	1,629,039
Vehicle Hire Charges	-	38,795
Water Charges	2,816,314	1,679,087
Weighing Charges	292,176	277,458
	<u>256,963,755</u>	<u>153,850,240</u>
<u>SCHEDULE " 21 " - EMPLOYMENT COST</u>		
Wages, Salaries And Bonus	455,044,830	314,844,010
Staff Welfare	10,296,281	4,923,923
PF Administrative Expenses	623,398	708,186
	<u>465,964,509</u>	<u>320,476,119</u>

Schedules Forming Part of Profit & Loss Account for the year ending on 31st March 2011

Particulars	As at 31-03-2011 ₹	As at 31-03-2010 ₹
<u>SCHEDULE " 22 " - SELLING EXPENSES</u>		
Sales Promotion Expenses	4,676,815	4,375,628
Discount & Rate Diff (Net)	34,893,271	39,729,732
Discount & Rate Diff (Others)	4,552,940	2,682,496
Business Development	30,279,875	21,560
Warranty Expenses		
	<u>74,402,901</u>	<u>46,809,416</u>
<u>SCHEDULE " 23 " - MISCELLANEOUS EXPENSES WRITTEN OFF</u>		
Pre-Operative Expenses	5,973,486	962,653
	<u>5,973,486</u>	<u>962,653</u>
<u>SCHEDULE " 24 " - INTEREST AND FINANCIAL CHARGES</u>		
Bank Charges / Commission	21,105,763	21,857,021
Interest on Term Loan	78,500,780	39,284,991
Interest on Working Capital	62,463,419	58,282,858
Interest Paid (Others)	3,270,146	(20,174,720)
Term Loan Processing Charges	3,570,032	1,050,020
LC Charges	16,556,210	9,779,959
	<u>185,466,350</u>	<u>110,080,129</u>

SCHEDULE : "25"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A] SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Consolidation :

The consolidated financial statement relate to Autoline Industries Limited (the Parent Company) & its subsidiary companies. The Parent Company with its subsidiaries constitutes the Group.

- a) The Financial Statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e. year ended 31st March, 2011. In the case of foreign subsidiaries the company has taken the same reporting date as used above.
- b) The financial statements have been prepared on historical cost convention and as a going concern and in accordance with accounting standard referred to in Section 211(3C) of the Companies Act, 1956. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties and in respect of ECB/ Deposit of Citi Bank. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and trade practices.
- c) The accounts of the Parent Company & Indian Subsidiaries have been prepared in accordance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and other provision of the Companies Act, 1956 and those of the foreign subsidiaries have been prepared in accordance with the local laws and the applicable Accounting Standard/Generally Accepted Accounting Principles, wherever necessary.

2. Principle of Consolidation :

- a) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- b) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances, except in the case of depreciation as pointed out in para. 5, in accordance with generally accepted accounting principles in India.
- c) The excess of cost to the Parent Company of its investment in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the financial statements as 'Goodwill On Consolidation' and carried in Balance Sheet as an asset, where as the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognised as 'Capital Reserve On Consolidation' and shown under the head Reserves and Surplus, in the consolidated financial statements.
- d) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their shares in the equity, subsequent to the date of investments.
- e) The consolidated financial statements comprise of financial statements of Autoline Industries Limited (hereinafter referred as "**Autoline**") and subsidiaries incorporated in India viz. Autoline Design Software Ltd. (hereinafter referred as "**ADSL**"), Autoline Industrial Parks Ltd. (hereinafter referred as "**AIPL**"), Nuvent Technologies Pvt. Ltd. (hereinafter referred as "**Nuvent**"), and outside India viz. Autoline Industries USA INC (hereinafter referred as "**Butler**"), DEP Autoline LLC USA (hereinafter referred as "**DEP**"), Koderat Investments Limited (hereinafter referred as "**Koderat**").

3. Inventories :

Inventories are Valued at lower of cost or net realizable value, after proving for obsolescence and damages, if any, as under:

- a) Raw Material, Packing Material, Tools, Spares and Consumable At Cost, on FIFO basis.
- b) Work in Progress At Cost plus appropriate production overheads.
- c) Finished Goods – Manufacturing At Cost plus appropriate production overheads.
- d) Cost includes excise duty paid/payable on such goods wherever applicable.

4. Fixed Assets :

- a) Fixed Assets are accounted at Cost of acquisition or construction. All costs relating to acquisition and installation of fixed assets are recorded at cost of acquisition and installation. Fixed Assets are capitalized net of Cenvat / VAT for which Credit is taken and includes borrowing cost directly attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.
- b) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. The retired assets are disposed off immediately. The capitalised cost of such disposed/retired assets, are removed from the fixed assets records.
- c) Pre-operative expenses, including interest on borrowings, Wages paid to tool room employees and other incidental expenses and the proportionate overheads related thereto till the date of commissioning, for the projects, where applicable, incurred till the projects are ready for commercial production, are treated as part of the project cost and capitalised.
- d) Internally manufactured/constructed fixed assets are capitalised at factory cost, including excise duty, where applicable.
- e) Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalised as part of the cost of machinery.

5. Depreciation :

- a) In case of parent company (Autoline) depreciation on all tangible assets has been calculated on Straight Line Method (SLM) and in case of subsidiary companies viz. ADSL is provided on Written down value method & in Nuvent depreciation is provided on straight line method, as per the rates and manner prescribed under Schedule XIV of the Companies Act, 1956.
- b) Except for items where 100% depreciation rate is applicable, depreciation on fixed assets , added/ disposed off during the year, is provided on pro-rata monthly basis with reference to date of addition / disposal.
- c) In case of revalued Asset, the Depreciation calculated as per above method, and the difference between revalued value and original value is reduced from the total Depreciation and same is also reduced from the Revaluation Reserve.
- d) In case of foreign subsidiaries, depreciation on fixed assets has been provided at the rates required/ permissible by the Generally Accepted Accounting Principles of the respective countries.

6. Revenue Recognition :

- a) Revenue from sale of products is recognized when all the significant risk and reward of ownership of the products are passed on to the customers, which is generally on dispatch of goods and acceptance.
- b) Service income is recognized on the completion of services/contract with the customer, when the related services are performed.
- c) Sales are accounted on gross basis inclusive of Sales Tax and Excise Duty less Sales Returns/ Rejection, brokerage and commission.
- d) Excise duty in respect of finished goods is included in the valuation of finished goods.
- e) Dividend Income is recognized when the right to receive the dividend is unconditional at the Balance Sheet date.

7. Research & Development :

- a) Revenue expenditure on research & development is charged to respective heads of account in the year of incurrence.
- b) Research & Development expenditure incurred on the identified product/ process is carried forward when its future recoverability can reasonably regarded as assured. Expenditure incurred till the commencement of production / process is carried forward under capital work in process. The expenditure carried forward is amortized over the period of expected future sales from the related product/ process, not exceeding ten years.
- c) The carrying value of Research & Development cost is reviewed for impairment annually when the asset is not yet in use and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

8. **Foreign Currency Transactions :**

- a) The reporting currency of the company is Indian Rupee.
- b) Foreign Exchange transactions are accounted for at exchange rate prevailing on the date of transactions. Year-end monetary asset and liabilities in foreign currency are translated at the applicable year-end exchange rate and the resultant difference in case of revenue item is recognized as gain / loss for the year and in case of capital account the same is adjusted against the respective fixed asset.
- c) The premium or discount arising on forward exchange contract including those entered into to hedge foreign currency risk of a firm commitment or highly probable forecast transaction other than those which are not intended for trading or speculative purpose, are amortized as expenses or income over the life of the contract. Exchange difference on such contract is recognized in the profit & loss account of the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or as expense of the year.
- d) At the close of the year the outstanding balances in foreign currency are converted in Indian Rupees at the rate applicable on the last date of the year or Forward contract rate whichever is less. The option available under amendment to AS-11 relating to "the effects of changes in Foreign Currency Rates" in respect of its long term foreign currency monetary items has not been exercised and hence the principles laid down in AS-11 before such amendment have been continued to be followed.

9. **Investments :**

- a) Long term quoted Investments are carried at lower of Cost or Market Value and provision is made to recognize any decline in the carrying value, as applicable.
- b) Interest earned on Bank Fixed Deposit is accounted on accrual Basis.
- c) Unquoted investments are accounted at cost.
- d) Provision for diminution in value of long term investment is made, to recognize a decline other than temporary.

10. **Retirement Benefit Costs :**

- a) Contribution to Provident Fund are accrued in accordance with applicable statues and deposited with the Regional Provident Fund Commissioner.
- b) Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation Of India Ltd.
- c) The liability in respect of Bonus and the liability for Leave Encashment has been provided at the year end on actual basis in the books of account of Autoline Industries Ltd.

11. **Borrowing Costs :**

- a) Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale.
- b) All other borrowing costs are recognized as an expense in the period in which they are incurred.

12. **Miscellaneous Expenditure and Deferred Revenue Expenditure :**

- a) Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.
- b) The deferred revenue expenditure is considered in respect of Bank Processing fees, professional fees paid for new term loans, the period of which is more than 5 years and foreclosure charges in respect of term loan foreclosed. The same is written off over the period of loan taken / original period of loan foreclosed.

13. **Impairment of Assets :**

- a) The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors, an asset is impaired, the company recognizes impairment loss as the excess of carrying amount of the asset over recoverable amount.
- b) An impairment loss is reversed, if there has been a change in the estimates made to determine and recognize the recoverable amount in the earlier year.
- c) In the opinion of the Management the recoverable amount of the assets is more than the carrying amount hence no impairment loss has been provided for in the final accounts.

14. Provisions & Contingent Liabilities :

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - i. the company has a present legal or constructive obligation as a result of past event;
 - ii. a probable outflow of resources is expected to settle the obligation; andiii. a reliable estimate can be made of the amount of the obligation.
- b) Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtual certain that reimbursement will be received if obligation is settled.
- c) Contingent liability is disclosed in the case ofi. A present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation;ii. A possible obligation, unless the probability of outflow of resources is remote.
- d) Contingent assets neither disclosed nor recognised.
- e) Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date.

15. Earnings Per Share :

- a) The earnings considered in ascertaining the company's EPS comprises, the consolidated Net Profit after Tax and the number of equity shares on weighted average during the year.
- b) Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year.

16. Capital work in Progress :

The Expenditure which is of the nature of Capital and the Assets for which it is incurred which has not come into existence/ put to use during the year is shown under this heading and includes R & D Expenses for process development till the date of Balance Sheet.

17. Insurance Claims :

Claims receivable from Insurance Companies against risks covered are accounted on cash basis in the year of receipt.

18. Tools & Dies :

Tools & Dies designed/ manufactured in house has been capitalized considering direct cost of the material, Salary, Wages paid to tool room employees and other incidental expenses and the proportionate overheads related thereto.

B] NOTES TO ACCOUNTS :

1. In term of Accounting Standard (AS) 21 Consolidated Financial Statements and (AS) 23 Accounting for Investments in Associate in Consolidated Financial Statements, the consolidated financial statements present the consolidated accounts of Autoline Industries Limited (the Parent Company) with its subsidiaries & Joint Venture as under:

Name of Subsidiaries/Joint Venture	Country of incorporation	As at 31-03-2011 Proportion of Ownership Interest either directly or through subsidiary	As at 31-03-2010 Proportion of Ownership Interest either directly or through subsidiary
Indian Subsidiaries:			
i) Autoline Design Software Ltd.	India	100.00%	100.00%
ii) Autoline Industrial Parks Ltd.	India	51.12%	51.12%
iii) Nuvent Technologies Pvt. Ltd.	India	51.00%	51.00%
Foreign Subsidiaries			
i) Autoline Industries USA INC	USA	100.00%	100.00%
ii) DEP Autoline LLC USA	USA	51.00%	51.00%
iii) Koderat Investments Limited	Cyprus	100.00%	100.00%

2. The Company has invested Euro 3.84 Million plus incidental expenses (Bal on 31.03.2011 in INR Rs. 24,98,64,486) in wholly owned subsidiary, Koderat Investments Ltd. (Cyprus). In turn the subsidiary utilized the same for investment in S.Z. Design SRL and Zaggato SRL Milan Italy. S.Z. Design SRL and Zaggato SRL Milan Italy have issued 49% of equity shares to Koderat Investments Ltd(Cyprus).

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Further to Note-10 on page-77 in Notes to Accounts of the Annual Report 2010, Concordato Preventivo procedure under Italian Laws, scheduled on 20th September, 2011 was further postponed to 20th October, 2011 and was finally held on 9th November, 2011. At the hearing held on 9th November, 2011 the required majorities for the approval of the Concordato Preventivo under the Italian Laws have been reached, although the Tax Authorities have again voted against the proposal. Based on information gathered, the process of Concordato Preventivo will take more time to conclude and then a clear picture will emerge.

3. **Contracts remaining to be executed :**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹ 101,00,00,000/- (Previous Year ₹ 87,00,00,000/-), bifurcation as follows:-
 - i. In Autoline estimated amount of Contracts remaining to be executed on capital account and not provided for ₹ 80,00,00,000/- (Previous Year ₹ 50,00,00,000/-).
 - ii. In AIPL estimated amount of contract on capital account remaining to be executed and not provided for ₹ 20,00,00,000/- (Previous Year ₹ 35,00,00,000/-)
 - iii. In ADSL estimated amount of contract on capital account remaining to be executed and not provided for ₹ 1,00,00,000/- (Previous Year ₹ 1,00,00,000/-)

4. **Contingent Liabilities :**Contingent Liabilities and claims against the company not acknowledged as debts:

- a) In case of Autoline:
 - i. **Export Obligation** - Export Obligation in respect of saving in Custom Duty on Import of Machinery was to be completed up to 23rd May, 2010, the said period has now been extended up to 19th May, 2012.
 - ii. Contingent Liability on account of Bank Guarantees for Export Obligation ₹ 13,18,356/-
 - iii. Corporate Guarantee of USD 61,50,000 is given on behalf of Autoline Industries Indiana LLC, USA in favour of Tower Bank Trust Company and USD 10,00,000 in favour of Supplier Mill Steel Co.
- b) In case of ADSL:
 - i. Bank Guarantee – On Account of Bank Guarantee ₹ 3,50,000/-(Previous Year ₹ 3,05,000/-)
 - ii. Unpaid Dividend on 12% Cumulative Redeemable Preference Shares for the year 2007-08, to 2010-11 is ₹ 67,82,045/- (₹ 16,95,511/- for each year)

5. **Earnings Per Share :**

Disclosures as required by Accounting Standard (AS) 20 Earning Per Share. Amount In ₹ **2010-112009-10**

- (a) Profit for the year after tax and Minority Interest 27,33,94,51020,59,67,607
- (b) The weighted Average number of equity shares of ₹ 10 Each 1,22,04,9691,22,04,969
- (c) Earning per Share (On weighted Average) 22.4016.88
- (d) Earning per Share (On Basic & Diluted) 22.4016.88

6. **Foreign Currency Transactions :**

The net exchange fluctuations loss of ₹ 1,37,08,703- has been debited to the profit & Loss account.

7. **Related Party Transactions :**Disclosures as required by Accounting Standard (AS) 18 Related Party Disclosures.

a) Relationships :

i. Key Management Personnel and their Relatives :

1. Mr. Shivaji Akhade - Managing Director of Autoline
2. Mr. M. Radhakrishnan - Managing Director & CEO of Autoline
3. Mr. Sudhir Mungase - Wholetime Director of Autoline
4. Mr. Prakash B Nimbalkar - Chairman (Non-executives) of Autoline
5. Mr. Vilas Lande - Chairman Emeritus of Autoline
6. Mrs. Rema Radhakrishnan - Relative of Director of Autoline

ii. List of related parties with whom transactions were carried out during the year :Associates :

- A. Autoline Design Software Ltd.
- B. Autoline Industrial Parks Ltd.
- C. Autoline Industries USA Inc.
- D. Koderat Investments Limited.
- E. Autoline Stampings Ltd. Korea

iii. Other Related Parties in which a Director is interested :

- A. Balaji Enterprises
- B. Shreeja Enterprises
- C. Sumeet Developers
- D. Siddhai Platers Private Ltd
- E. Om Sai Transport Co.
- F. Hotel Vishwa Vilas
- G. Hotel Aishwarya Restaurant.

b) The following transactions were carried out with the related parties in the ordinary course of business :

Nature of Transactions	Key management personnel & their relatives amount (₹)	To/ from other entities amount (₹)
Directors Remuneration	1,80,00,000/--	
Commission to Non Executive / Independent Directors	24,00,000/-	
Independent Directors Sitting Fees	10,25,000/-	
Other Remuneration/ Professional Charges	19,85,400/-	
Labour Charges & Material Supply (Purchase)	-	2,93,20,507/-
Sales of Material	-	2,50,59,927/-
Transportation	-	1,12,77,893/-
Lodging and boarding		1,77,086/-

Note :

- (1) Related party relationship is as identified by the company and relied upon by the Auditors.
- (2) Related party transactions have been reported at their Gross Values (i.e. including taxes).

8. **Segment Reporting :**

Disclosures as required by Accounting Standard (AS) 17 Segment Reporting

The Autoline Group has disclosed Business Segments as the primary segments. Segments have been identified taking into account the nature of activities of the holding company, its subsidiaries, the deferring risk and returns, the organizational structure and internal reporting system.

The Group's operation predominantly relates to "Press Sheet Auto Components and Assemblies". Other business segments contribute less than 10% of the total revenue and therefore they have been grouped as "Others"

The segment Revenue, segment Results, segment Assets, segment Liabilities includes respectively amounts identifiable to each of the segments and also amounts allocated on a reasonable basis.

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A. Primary Segment (Business Segment) :

(₹ in Lacs)

PARTICULARS	PRESS SHEET & AUTO COMPONENTS, ASSEMBLIES	OTHERS	TOTAL
REVENUES :	₹	₹	₹
External Revenue	63573.82	2485.34	66059.16
Total Segment Revenue	63969.71	2637.56	66607.27
Results (Profit before Financial Expenses, Depreciation)	6318.26	942.90	7261.16
Less : Financial Expenses	1832.27	22.39	1854.66
Depreciation	1541.07	352.32	1866.39
Current Tax	671.18	48.33	719.51
Net Profit	2273.75	546.85	2820.60
Segment Assets	35875.04	16073.79	51948.83
Segment Liabilities	44114.06	7834.77	51948.83
Fixed Assets	36028.83	1533.21	37562.03
Depreciation	5561.97	366.65	5928.63
Investments	17.22	2456.07	2438.61
Current Assets	12793.21	9848.73	22641.94
Current Liabilities	7762.44	805.29	8567.73
Secured Loans	19249.58	185.75	19435.33
Unsecured Loans	3102.16	219.40	3321.56
Proposed Dividend Including Tax	426.96	-	426.96

B. Secondary Segment (Geographical Segment) :

Particulars	Domestic	Overseas
a) The Distribution of Sales : Sales and Services Revenue	50330.89	15728.28
b) The location of tangible/intangible fixed assets : Tangible Assets (Gross block)	34737.01	2426.01
Intangible Assets (Gross block)	399.00	-

9. Previous Year's figures have been regrouped wherever necessary to make comparable with the current year classification.

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

FOR & ON BEHALF OF THE BOARD

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
MANAGING DIRECTOR AND CEO

PLACE : PUNE
DATE : 30th NOVEMBER, 2011

RAVIKETKAR
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

PARTICULARS RELATING TO THE SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Sr. No	Name of the Subsidiary Company	Financial Year of the Subsidiary ended on	Shares of Subsidiary held by the company on 31.3.2011		Net aggregate amount of Profit / (loss) of the Subsidiary for the financial year ended 31.3.2011 So far as they concern members of the company		Net aggregate amounts of the Profits / loss for the previous Financial years of the Subsidiary Company since it became Subsidiary so far as they concern members of the company as on 31.03.2011	
			Number & face value	Extent of Holding (%)	Dealt with in the accounts of the Company for the year ended 31.3.2011	Not dealt within the accounts of the Company for the year ended 31.3.2011	Dealt with in the accounts of the company for the year ended 31.3.2011	Not dealt within the accounts of the company for the year ended 31.3.2011
1	Autoline Design Software Limited	31.3.2011	1). 21,40,816 fully paid up equity shares of Rs. 10/- each 2). 14,12,926 (12% Cumulative Redeemable Pref. Shares of Rs.10/- each fully paid)	100%	14,43,938	NIL	74,16,217	19,55,109
2	Autoline Industrial Parks Ltd	31.3.2011	2,48,24,994 fully paid up equity shares of Rs. 10/- each	51.12%	21,02,311	20,10,191,	1,33,10,130	1,26,02,104
3	Nuvent Technologies Private Limited	31.3.2011	25,500 fully paid up equity shares of Rs. 10/- each	51%*	1,03,115	99,071	31,75,811	30,51,262
4	DEP Autoline INC. USA	31.12.2010	30,600 Stock/ Shares of \$ 1 each fully paid	51%*	68,23,747	65,56,149	3,93,85,131	3,78,40,615
5	Autoline Industries INC USA	31.3.2011	1,00,000 Shares/ Stock of \$ 1 each fully paid	100%	6,30,47,546	NIL	7,30,32,235	NIL
6	Koderat Investments Limited, Cyprus	31.3.2011	1,000 Shares/ Stock of Euro 1 each fully paid	100%	-7,37,623	NIL	-45,11,836	NIL

Place : Pune

Date : 30th November, 2011

FOR AND ON BEHALF OF THE BOARD

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director

RAVINDRA KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

* The Company has revised the terms and conditions of the Stock Purchase Agreement dated 9th May, 2007 entered with the CEO and the promoters of DEP Autoline USA INC. and executed a Supplemental Agreement, by which promoters of DEP have increased their stake from 49% to 60%. Consequently the stake of Autoline Industries Limited has been reduced from 51% to 40% with effect from 1st April, 2011. Further, the stake of Autoline Industries Limited in Nuvent Technologies Pvt. Ltd. was also reduced from 51% to 40%.

Details of Balance Sheet and Profit and Loss Account of Subsidiary Companies for the year Ended 31.03.2011

SR. NO	PARTICULARS	INDIAN SUBSIDIARIES			FOREIGN SUBSIDIARIES		
		AUTOLINE DESIGN SOFTWARE LIMITED	AUTOLINE INDUSTRIAL PARKS LIMITED	NUVENT TECHNOLOGIES PRIVATE LIMITED	AUTOLINE INDUSTRIES USA., INC	DEP AUTOLINE INC., USA	KODERAT INVESTMENTS LIMITED
1	Share Capital	35,537,420	510,602,500	500,000	40,756,860	2,717,124	60,850
2	Reserve and Surplus	10,000,000	290,044,735	9,229,093	67,202,124	95,606,396	(4,024,327)
3	Total Assets	80,001,818	800,647,235	3,499,261	502,901,764	179,733,722	245,968,289
4	Total Liabilities	34,464,398	-	25,263,598	394,942,780	82,786,421	249,931,766
5	Details of Investment	-	-	-	-	-	-
	Government	-	-	-	-	-	-
	Securities	-	-	-	-	-	-
	Shares (Excluding Subsidiaries)	-	-	91,910	-	-	-
	Mutual Funds	-	116,675	-	-	-	-
6	Turnover and Other Income	23,034,875	11,182,884	33,690,546	1,440,627,919	192,069,996	-
7	Profit before taxation	2,323,938	7,833,205	202,186	65,671,125	14,808,170	(737,623)
8	Provision for Taxation	880,000	3,720,703	-	2,623,579	1,428,274	-
9	Profit after taxation	1,443,938	4,112,502	202,186	63,047,546	13,379,896	(737,623)
10	Proposed Dividend	-	-	-	-	-	-

Notes:

1 In Respect of Foreign Subsidiaries:

- a) For Dep Autoline INC USA & Autoline Industries USA INC: Item Nos. 1 to 5 are translated at exchange rate as on 31st March 2011- USD\$ = ₹ 45.28
 - b) Item Nos. 6 to 9 are translated as follows:
 - i) For Dep Autoline INC USA: at quarter end average exchange rate : USD \$ = ₹ 46.74
 - ii) For Autoline Industries USA INC: at Month end average exchange rate: USD \$ = ₹ 45.64
 - c) Item No. 1 to 9 with regard to Koderat Investments ltd are translated at exchange Rate as on 31st March 2011 - Euro = ₹ 60.85
2. The above details have been annexed in terms of General Circular No. 02/ 2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs under the provisions of Section 212 (8) of the Companies Act, 1956,
 3. ₹ 51,06,02,500/- includes the Share Application Money of ₹ 2,50,00,000/-

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

I Registration Details

Registration No. CIN

L	3	4	3	0	0	P	N	1	9	9	6	P	L	C	1	0	4	5	1	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet Date

3	1	-	0	3	-	2	0	1	1
---	---	---	---	---	---	---	---	---	---

II Capital raised during the year(Amount in Rs. Lacs)

Public Issue

			N	I	L
--	--	--	---	---	---

Rights Issue

			N	I	L
--	--	--	---	---	---

Bonus Issue

			N	I	L
--	--	--	---	---	---

Private Placement

			N	I	L
--	--	--	---	---	---

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities

4	0	8	6	3	.	6	0
---	---	---	---	---	---	---	---

Total Assets

4	0	8	6	3	.	6	0
---	---	---	---	---	---	---	---

Source of Funds

Paid-up Capital

	1	2	2	0	.	5	0
--	---	---	---	---	---	---	---

Reserves & Surplus

1	9	0	1	4	.	1	5
---	---	---	---	---	---	---	---

Secured Loans

1	6	6	7	1	.	1	4
---	---	---	---	---	---	---	---

Unsecured Loans

	3	1	0	2	.	1	6
--	---	---	---	---	---	---	---

Application of Funds

Net fixed Assets

2	9	3	7	0	.	4	6
---	---	---	---	---	---	---	---

Investments

	8	3	4	1	.	6	7
--	---	---	---	---	---	---	---

Net Current Assets

	2	9	4	6	.	1	5
--	---	---	---	---	---	---	---

Deferred Tax Assets (Liability)

		8	5	5	.	6	6
--	--	---	---	---	---	---	---

Accumulated Loss

				N	I	L	
--	--	--	--	---	---	---	--

IV. Performance of Company (Amount in Rs.Lacs)

Turnover

5	0	0	3	8	.	8	6
---	---	---	---	---	---	---	---

Total Expenditure

4	4	0	7	8	.	1	5
---	---	---	---	---	---	---	---

Profit before Tax

	2	6	5	1	.	0	5
--	---	---	---	---	---	---	---

Profit after tax

	2	0	0	6	.	1	1
--	---	---	---	---	---	---	---

Earnings per share (in Rs.)

			1	6	.	4	4
--	--	--	---	---	---	---	---

Dividend Rate %

			3	0	.	0	0
--	--	--	---	---	---	---	---

V Generic Names of Three Principal Products/Services of Company(as per monetary terms)

Manufacturing of sheet metal auto components, subassemblies and main assemblies



Autoline Industries Limited

Registered Office : S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.

ATTENDANCE SLIP

To be presented at the entrance of the meeting venue

I / We hereby record my / our presence at the 15th Annual General Meeting of the Company at S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka -Khed, Dist-Pune- 410 501 on Friday, 30th December, 2011at 2.30 p.m.

Name _____

Ledger Folio / ID No.	No. of Shares	Signature

Note : Only shareholders / proxies / authorized representatives are allowed to attend the meeting.



Autoline Industries Limited

Registered Office : S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.

PROXY FORM

I / We _____

of _____ being a member(s) of Autoline Industries Limited hereby

appoint _____ or failing

him / her _____ as

my / our proxy to attend and vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on Friday, 30th December, 2011 and / or at any adjournment thereof.

Ledger Folio / ID No.	No. of Shares

Signed this _____ day of _____ 2011.

Note : The proxy form duly completed and signed should be deposited at the Registered office of the Company not later than 48 hours before the time of the meeting.

Affix
Revenue
Stamp

Signature



Autoline Industries Limited

Registered Office : S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.

BANK ACCOUNT PARTICULARS

I / We am / are holding _____ equity shares under Folio / ID No. _____ and do hereby authorize Autoline Industries Limited, to print the following details on my / our Dividend Warrant/s.

Account Type : Savings / Current Account No. _____

Bank Name : _____ Branch _____

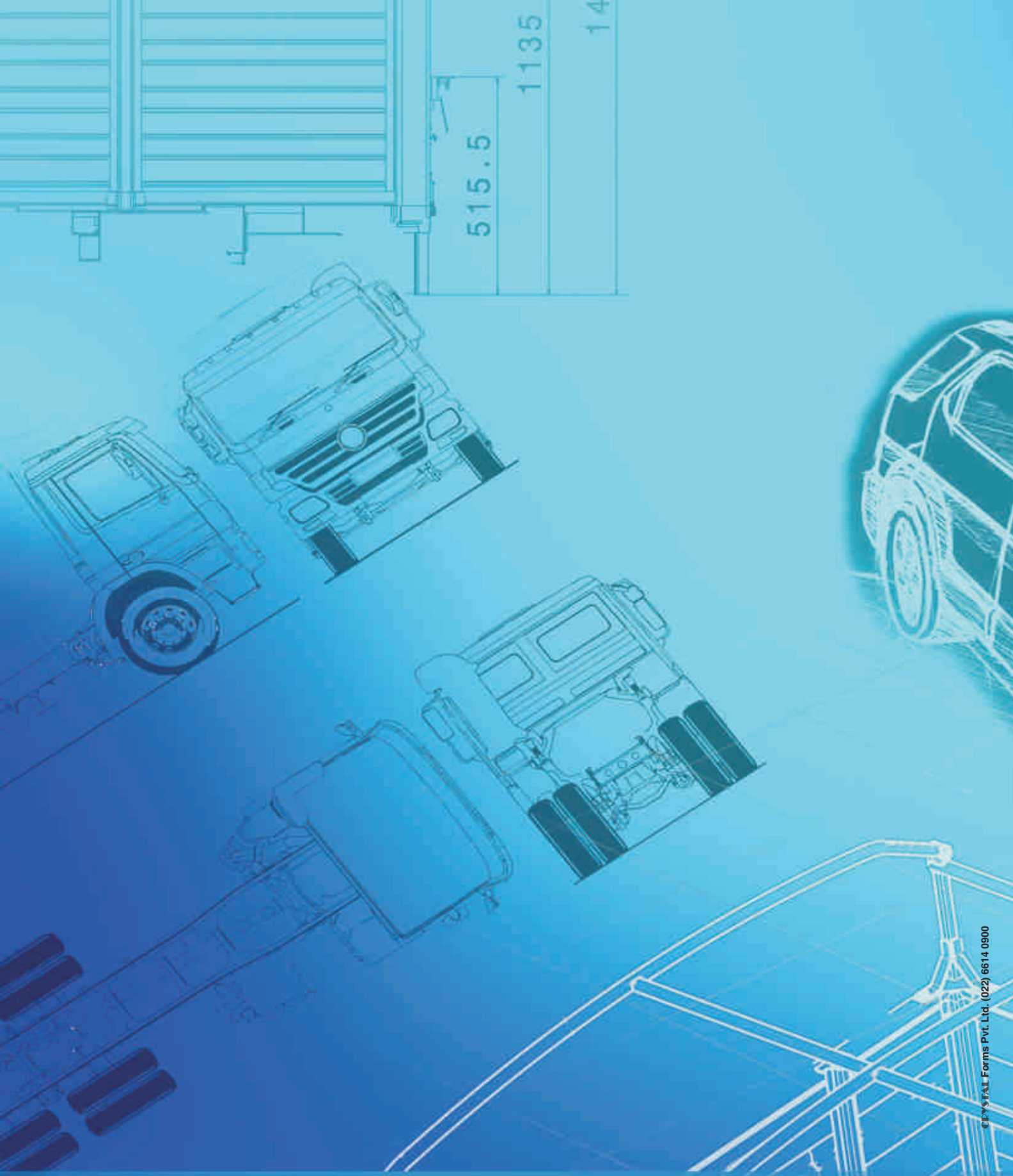
Date : _____ Signature of Shareholder/s _____

Y 1, New Sub-Structure Line - Chakan - Unit II



Mahindra Production Line - Chakan - Unit II





AUTO  LINE