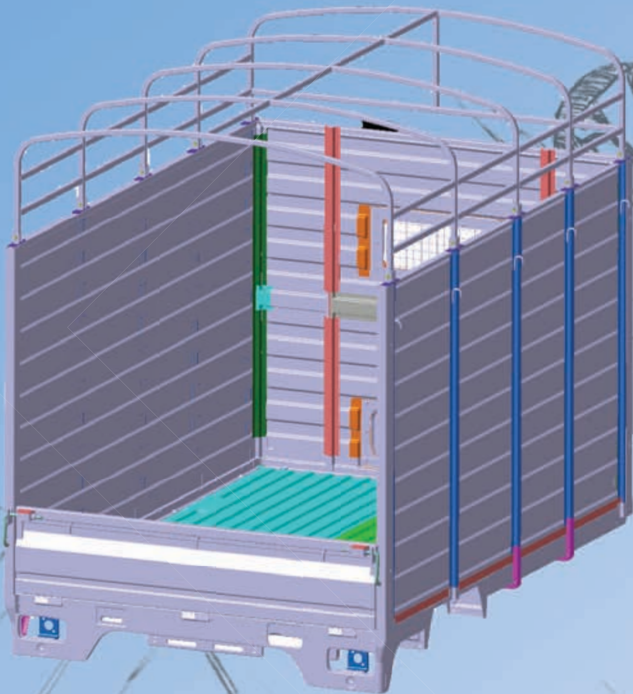


NOT JUST TECHNOLOGY...

AUTO LINE

16TH ANNUAL REPORT 2012

...INNOVATION!

1:5 scale model

CHAKAN 'II', Pune, India
6,28,384 Sq. Ft.
Production and Tool Manufacture

Autoline Industries, Inc. Butler, Indiana, USA
7,58,113 Sq. Ft.
Manufacturing

Uttarakhand, India
84,832 Sq. Ft.
Manufacturing

CHAKAN 'I', Pune, India
1,20,049 Sq. Ft.
Manufacturing

Bhosari, Pune, India
51,196 Sq. Ft.
Manufacturing

Pimpri, Pune, India
54,488 Sq. Ft.
Manufacturing

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. Amit K. Goela
Non - Executive Director

Mr. Ajit B. Karnik
Independent & Non - Executive Director
(Retired with effect from 30th December, 2011)

Cmde. N. Ravindranathan IN. (Retd.)
Independent & Non - Executive Director
(Retired with effect from 30th December, 2011)

CA. Ravindra E. Ketkar
Chief Financial Officer

Mr. Ashutosh B. Kulkarni
Company Secretary

Auditors
K V M D S & Associates,
Chartered Accountants, Pune.
(Formerly known as Gujar Rawat Sheth & Associates)

Internal Auditors
Chandrakant G. Doshi & Co.,
Chartered Accountants, Pune

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. NKGSB Co-op Bank Ltd.
5. Vidya Sahakari Bank Ltd
6. Tata Capital Financial Services Limited
7. Kotak Mahindra Bank Ltd.
8. Citi Bank N.A.

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, Rudrapur, Uttarakhand – 263 153
9) 2/86, 7th Avenue, Ashok Nagar, Chennai – 600 083.

FOREIGN UNITS

1) Autoline Industries USA, Inc: 100, Commerce Street, Butler, IN. 46721 USA
2) Autoline Stampings Limited – 431 – 809 779, Gwanyang-dong, Dong-an-gu Anyang-si, Gysonggi-do, South Korea
3) DEP Autoline, INC.USA : 560 Kirts Blvd., Suite 103, Troy, Michigan – 48084, USA
4) Koderat Investments Limited – Griva Digeni 115, Trident Centre, 3101, 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

16TH ANNUAL GENERAL MEETING

Date: Thursday, 27th September, 2012

Time: 2.30 p.m.

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

KEY MANAGEMENT TEAM

Mr. Digambar C. Pargaonkar	Chief Operating Officer (Operations)
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. Tushar Khomane	GM- Manufacturing, Uttarakhand
Mr. Satyanarayan Avindala	GM- Maintenance
Lt. Col. Kapil Srivastava (Retd.)	GM- HR & Admin
Mr. Dattatraya Kute	GM- New Product Development
Mr. Rajendra Melkania	DGM- HR & Admin, Uttarakhand
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

AUTOLINE DESIGN SOFTWARE LTD, PUNE

Mr. Lakshmanan Nagarajan	Chief Executive Officer

AUTOLINE INDUSTRIES USA, INC

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

FINANCIAL HIGHLIGHTS OF LAST FIVE YEARS (STANDALONE)

(₹ in Millions except share data)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATING RESULTS					
Sales and Other Income	5,864.67	4,951.36	2,826.07	2,359.38	2,677.89
Profit Before Depreciation, Interest & Tax	854.37	596.07	379.82	218.31	388.13
Less: Depreciation	194.58	147.74	104.75	84.19	43.22
Finance cost	284.56	183.23	101.94	71.68	45.26
Profit before Tax (PBT)	375.23	265.11	173.13	62.44	299.65
Profit after Tax (PAT)	334.73	200.61	135.13	45.71	244.35
Retained Earnings	820.73	576.24	415.63	322.56	292.33
APPLICATION OF FUNDS					
Net Fixed Assets	2,874.08	2,937.05	2,282.49	2,048.85	1,567.02
Investments	971.64	834.17	874.94	856.22	606.02
Net Working Capital	789.86	269.91	324.03	300.28	421.27
Total	**4,635.59**	**4,041.12**	**3,481.46**	**3,205.36**	**2,594.31**
SOURCES OF FUNDS					
Share Capital	122.05	122.05	122.05	122.05	109.55
Reserves	2,190.07	1,901.41	1,741.32	1,637.80	1,302.00
Total Shareholder's Fund	**2,312.12**	**2,023.46**	**1,863.37**	**1,759.85**	**1,411.55**
Borrowings	2,308.22	1,977.33	1,553.79	1,397.97	1,146.15
Deferred Tax Adjustments	115.82	85.57	64.89	48.34	36.62
Total	**7,048.28**	**6,109.82**	**5,345.43**	**4,966.01**	**4,005.86**
OTHERS					
Face Value of Share(₹)	10	10	10	10	10
Number of Issued Shares	1,22,04,969	1,22,04,969	1,22,04,969	1,22,04,969	1,09,54,969
Earnings Per Share (EPS) (₹)	27.43	16.44	11.07	3.75	22.31
Dividend (%)	40%	30%	20%	10%	50%

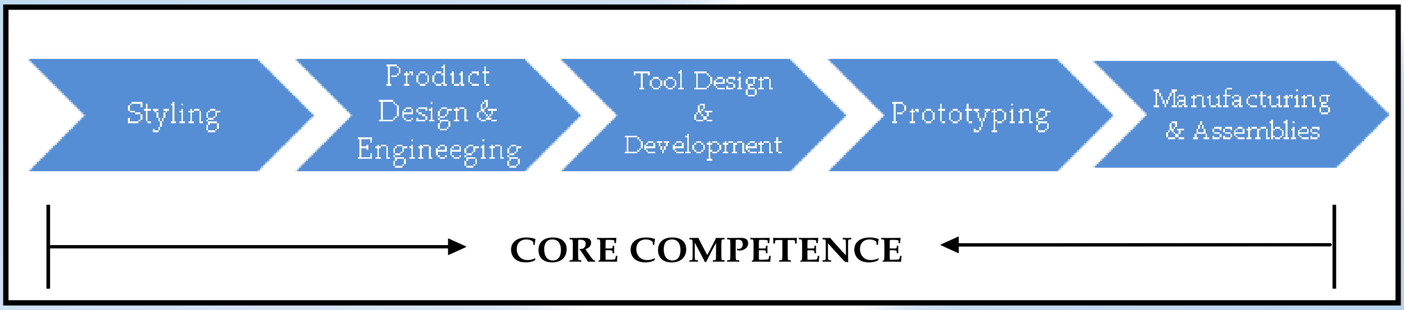
Contents

Enter the World of Innovation

Art-to-Part Service Provider

Autoline Industries Ltd., has emerged as an end-to-end solutions provider right from conceptualizing, styling, designing, proto-typing, tooling and mass manufacturing of auto components. It has metamorphosised from being a Sheet Metal Stamping and Pressing Company to an auto ancillary company having presence across the entire automotive value chain.

The growth path towards being an Art-to-Part Service provider was spearheaded by the Company's highly professional and an experienced management team supported by extremely dedicated employees. The company has traversed the organic as well as the inorganic route to expand its business and service offerings with ever increasing focus on innovation.



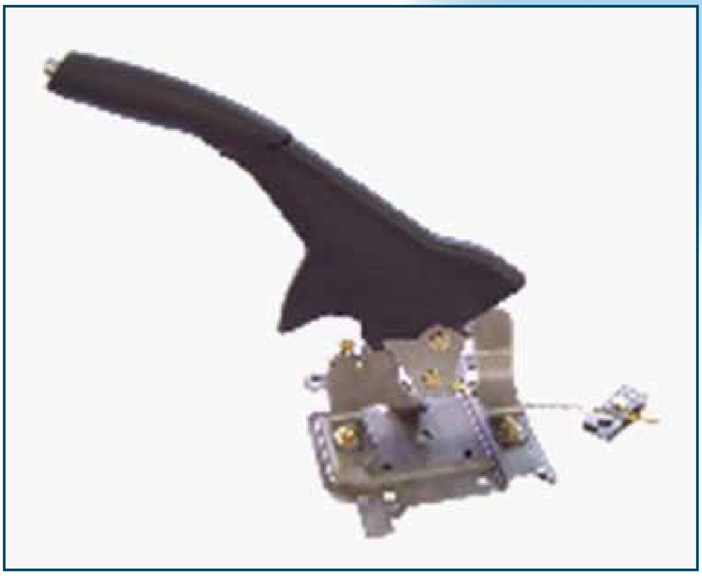
Having commenced operations in 1995,the company entered the capital markets with an Initial Public Offering in 2007. Soon, it acquired a majority stake in **Detroit Engineered Products Inc. USA (now DEP - Autoline)**, which is focused on developing and providing high end, full vehicle engineering solutions by offering a suite of proprietary software tool kits and products. **Autoline Design Software Ltd.**, was acquired in March 2006 is a wholly owned subsidiary of your company which is based in Pune and helps strengthen the presence across the automotive value chain. In 2007 your Company acquired **Nuvent Technologies Pvt. Ltd.**, an off-shore development centre of DEP Autoline Inc. USA, at Chennai, to cater to the designing, styling and engineering requirements of OEMs.

At the heart of our diversification has been our innovative approach to not only produce new products but also improve our existing products and services. Your Company endeavours to bring products which satisfy the end user requirements.

Some of the product innovations undertaken by your Company in association with the subsidiary companies encompass High Deck Load Body, Load Body Weight Optimization, Pedal Assemblies, Park Brake Assemblies and Jack Assemblies. These have been well accepted by OEMs, both global and domestic. Notably, your Company has also been awarded patents by the United States Patent Office and that has enabled us to obtain good brand visibility world over.

"Autoline has not simply met customers' needs, but also anticipated future needs continually bringing forth new ideas that help them run their businesses better by introducing new much better, safer, cost efficient and innovative products."

Pedal Assembly



Park Brake Assembly

Bottle Jack

Chairman's Note

The Backdrop

The financial year 2011-12 was marked by challenges in both, the domestic as well as the global economy. The challenges of high fiscal deficit, sticky inflation and high fuel prices appear to have impacted domestic growth. On the global front,Euro Zone sovereign debt default concern and uncertainty overgrowth in USA loom large and resultantly the macroeconomic scenario remains uncertain.

Notwithstanding the challenges, the Indian economy is expected to grow by 6.9 per cent in financial year 2012-13 as per the World Bank. For the longer term, however they have pegged growth at 7.2 per cent and 7.4 per cent in fiscal years 2013-14 and 2014-15, respectively in the report titled 'Global Economic Prospects'.

The Automobile sector in India in 2012-13 is estimated to grow by 10-12 per cent as per industry body Society of Indian Automotive Manufacturers (SIAM). The growth is likely to be fuelled by Passenger Cars and the fast growing Multi Utility Vehicle (MUVs) segment on the basis of supportive business environment, rising disposable incomes and favorable demographics.

The Indian Auto Components Industry a sunrise industry, currently valued at USD 30 billion is estimated to grow at USD 100 billion by 2020 and derives its growth impetus from the growing Automobile Industry. This translates into a CAGR growth of over 15 per cent as per Ikon Marketing Consultants. Further, Indian share in world auto components is estimated to grow over 3 per cent by 2015-16 against a meagre 0.4 per cent in 2003-04.

The Performance

During the year, your Company continued to focus on innovation which we believe will pave the way for long term growth despite near term pains. Your Company, completed the amalgamation of business activities with its subsidiaries Nirmiti Autocomponents Pvt. Ltd. and Western Pressings Ltd. and are extremely confident of scaling your Company's operational performance. Visible signs of this have already been reflected in your Company's overall financial performance during the year.

On a consolidated basis your Company recorded Net Sales of ₹7,483.5 million, a growth of 14 per cent while bottom-line increased by 45 per cent to ₹397 million. The improved contribution to the topline came in from new products added and also addition of new clients and increased order booking from existing clients.

Our industry positioning of being the most preferred component maker for International and Domestic OEMs has aided our efforts. Your Company has been able to expand its client base and improve its order bookings from existing clients in 2012 fiscal.

During the year, due to change in accounting policies the inventories increased. However, the increase in finance costs have been in line with increased business activities and an overall high interest rate scenario in the economy.

Further, the Industrial Promotion Subsidy of ₹204 million received during the year as part of the Mega Project Status awarded to the Chakan Plant by the Government of Maharashtra has improved your Company's bottomline performance. The Mega Project status was awarded for providing minimum employment to 1,000 people and also undertaking investments of approximately ₹2,000 million towards regional development.

I am glad to inform you that the Board of Directors has recommended a dividend of 40 per cent for FY 2012 as compared to 30 per cent in FY 2011.

Moving Ahead aided by Innovation

Your Company's in-house designing team has introduced a number of new products during the year. The Adjustable & Collapsible Pedal Assembly, High Deck Load Body, Park Brake Assembly and Jack Assembly are a result of our focus on driving growth through innovation,thus exemplifying the value engineering expertise of our company.

While, most of these products have been tested and approved by leading international and domestic OEMs – Volkswagen, Daimler India, Ashok Leyland – Nissan, Asia Motor Works, Mahindra Navistar and Tata Motors, your Company is now set to tap the incremental growth opportunities arising from them.

Further, during the year,your Company earned recognition for its in-house Designing & Engineering team from Volkswagen and General Motors, global automakers to provide cost efficient pedal assemblies and brake assemblies.

During the previous year your Company had proposed setting up a manufacturing plant at Dharwad in Southern India, to cater to the growing needs of Domestic and International OEMs and particularly for the IRIS and ZIP models manufactured by Tata Motors. I am pleased to inform you that not only is work at the said plant site well underway, but also that your Company has started supplying components from a rented shed in Uttarakhand plant given the rising demand from our customers.

Tapping Opportunities through Innovation

While opportunities are abound in the long run, your Company would continue to focus on product and service innovation and improvement. The testimony to this is the overwhelming response received from OEMs for the beta version of " Meshwork Morpher Pro V " Software developed by your Company's Associate company. This application helps to reduce overall cost and time taken for product development and testing. Your Company is therefore hopeful and optimistic of offering added value products to its existing and prospective clients by offering this product and thereby enhancing its revenue streams during FY 2013.

The recognition of your Company's value engineering expertise by International OEMs like General Motors, Volkswagen, Daimler, Ashok Leyland – Nissan, Asia Motor Works, Tata Motors and Mahindra Navistar continues to propel your Company's growth, by enabling the development of newer, high performance, value added and low cost products in your Company's portfolio. This will help us not only improve your Company's business performance but also strengthen your Company's relationships with the existing as well as prospective clients.

Your Company plans to continue investing in green field and brown field expansion projects to service the growing demand of OEMs. Your Company is therefore committed to a long-term and a balanced strategy of profitable growth and strong returns. Further, with roll out of Tata NANO from Sanand, Gujarat your Company is planning to set up its manufacturing base in close proximity to OEMs and at an opportune time may expand its operations.

Though I am optimistic of your Company's performance over the longer term, a cautious approach still needs to be maintained. Keeping in view the ongoing global and domestic environment, possibility of facing an unexpected challenge in the near future cannot be ruled out.

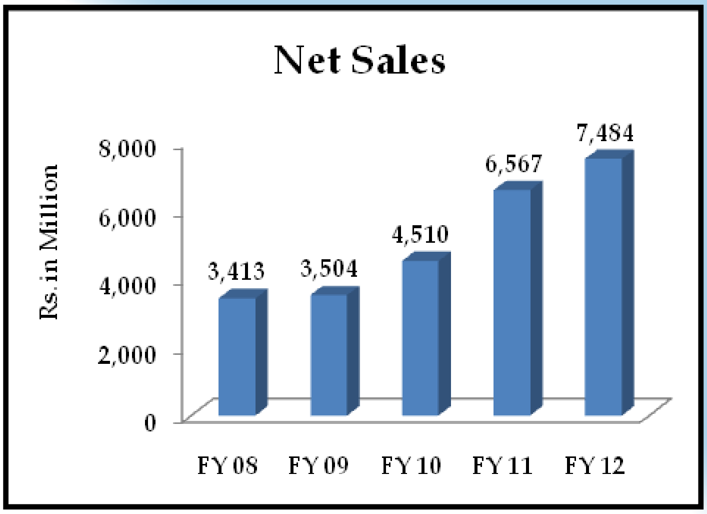
However, your Company's untiring efforts of adhering to global quality standards, enhancing production efficiency, upgrading to fast changing requirements of OEMs, customization of products & solutions, and a strong focus on product innovation and improvisation have yielded an overall improvement in performance.

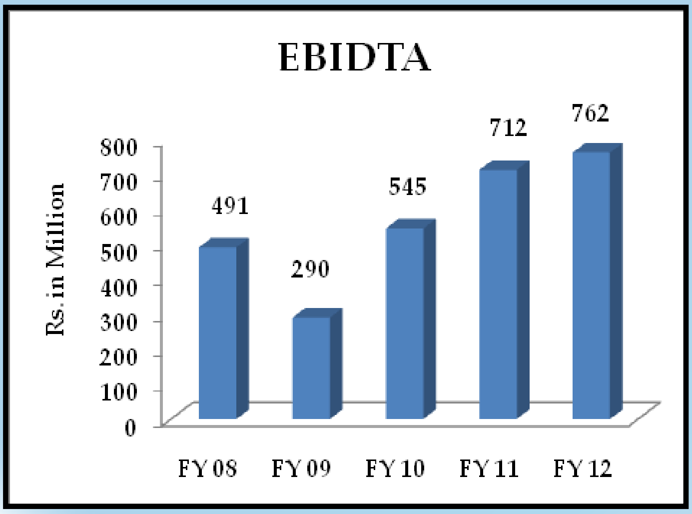
Vote of Thanks

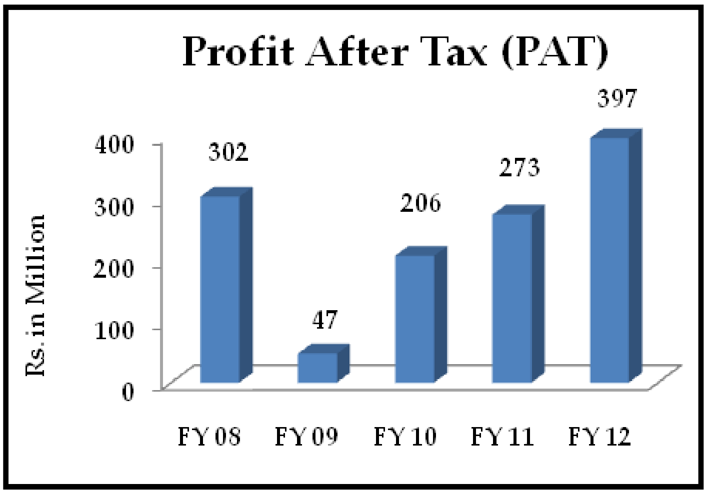
I extend my deepest thanks to all those who have helped us achieve continued success and who will remain the vital forces in shaping our history—our employees, our customers, our suppliers, our business partners, our bankers and our stockholders. I look forward to the opportunities ahead of us as your Company continues to earn your trust, your confidence and your pride. I am also grateful to our Management Team for its relentless efforts to redefine our growth strategy and to the Board of Directors for their continuing guidance. We look forward to continued success and profitable growth.

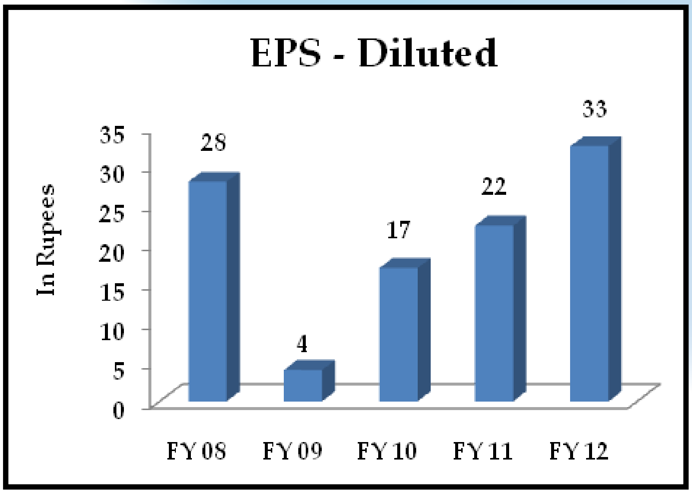
P.B. Nimbalkar
Chairman

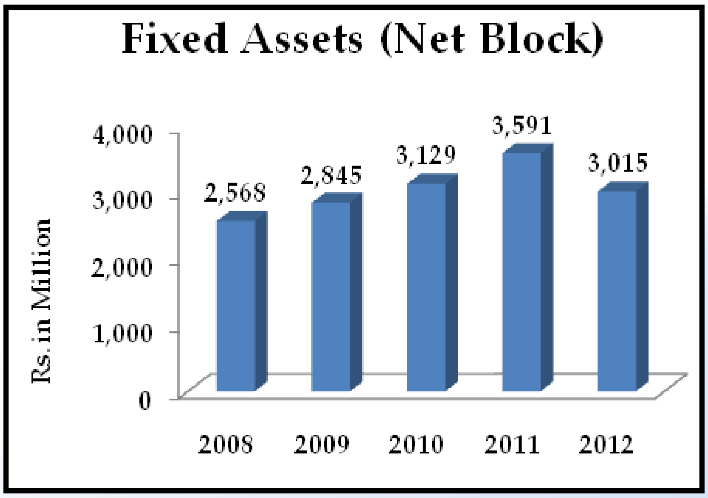
Financial Snapshot - Consolidated

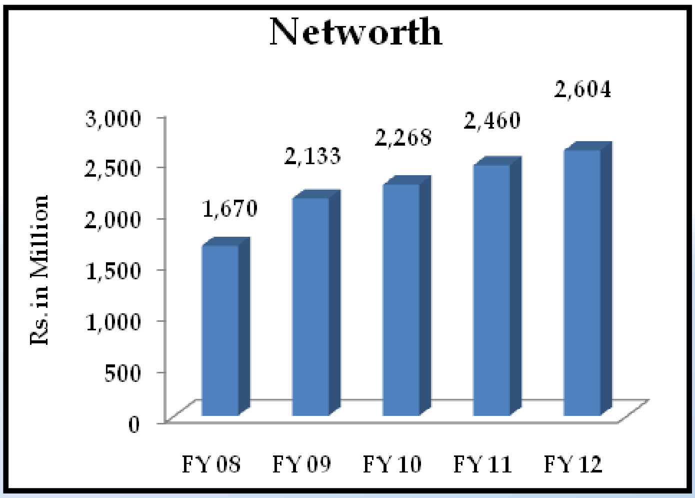












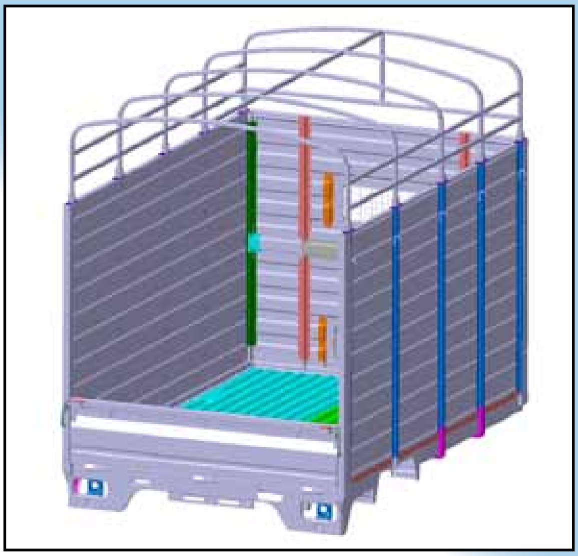
AUTO LINE

Innovating for the Customer

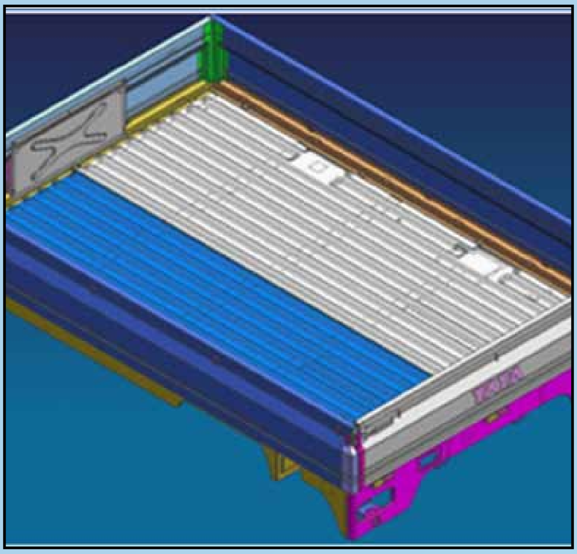
The onus of your Company's growth plans year on year has never been merely for the sake of recording growth. It is driven by continued focus on providing cost effective and customized solutions to OEMs driven by innovation.

Our Diversification through Innovation:

Innovation	Key Characteristics	Advantage Autoline
High Deck Load Body	• Additional Storage Capacity • Sole Supplier in the market for Tata Motors - ACE Trucks • Enables Standardizing the model offered from factory gate to end user • New Benchmarks being set in the industry	• *Styling, Designing, Tool Designing and Manufacturing Expertise showcased* • *Huge untapped opportunities in the LCV and small carrier vehicle markets*
Load Body	• Weight Optimization • Cost Reduction for OEMs	• *Value Engineering expertise of ADSL Team*
Pedal Assembly (including Clutch Assembly)	• Changed manufacturing process from an expensive Aluminium Casting to much economical Sheet Metal Process • 40% Cost Reduction for OEMs • Validated by International OEMs • 35% Weight Reduction in overall assembly	• *Value Engineering expertise of DEP - Autoline and ADSL Team*
Battery Trays (Single Battery & Twin Battery Trays)	• Consolidated variants offered from 8 -12 to 1-3 variants • 35 – 40% Weight Reduction as against existing products across different vehicle segments	• *Superior Design Skills*
Jack Assembly	• Much stronger as it is validated by International OEMs like General Motors • Process Optimized • Patent Application filed – 40% less parts • Uniformised for use across age groups and gender	• *Highlights concept - to - deliver expertise of your Company* • *10% Lighter than existing product* • *Reduced number of components required*

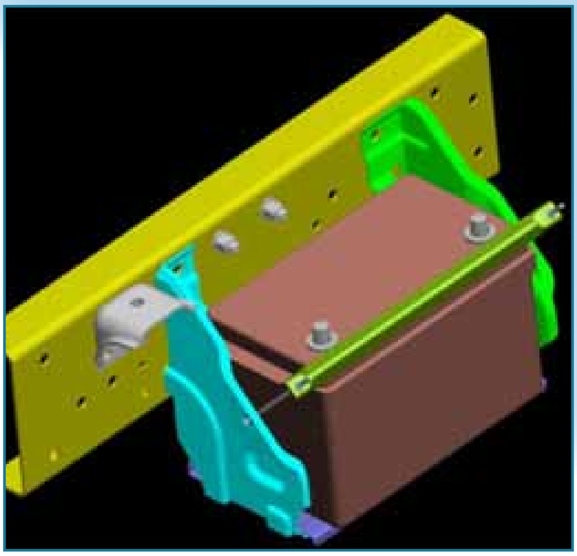


High Deck Load Body

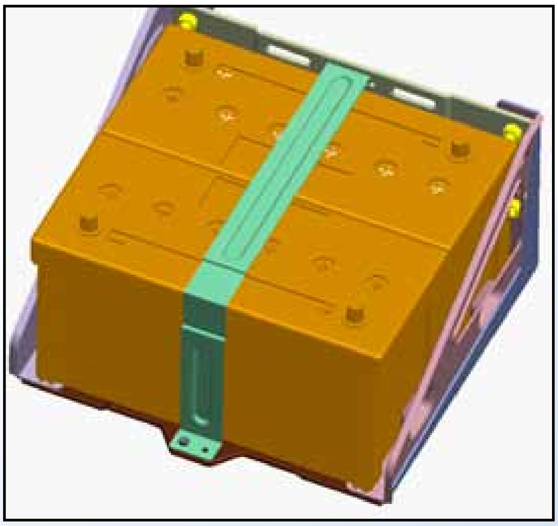


Load Body

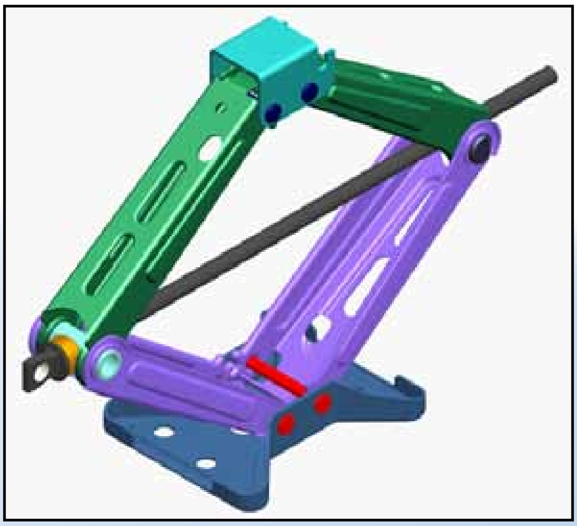
Brake and Clutch Assembly



Single Battery Tray



Twin Battery Tray



Jack Assembly

AUTO LINE

Patents - Our Value Driver

With the Global and Domestic Automotive Industry becoming extremely competitive, both International and Domestic OEMs are looking for ever increasing functionality of different components used, at affordable prices.

As a result, your Company would continue to be very proactive in terms of value engineering proposals, cost technology optimization methods and processes to assist your Company's customers in meeting their cost targets. As this forms the base for growth, your Company would further strive to develop and patent newer and innovative technologies thereby leading to development of a large invaluable intangible asset base.

In our consistent efforts to excel and remain ahead of the competition, your Company would continue to dedicate resources to engineering and development that would lead to increasing number of patent applications filed by us and granted to us for the innovative, efficient processes put to work. Your Company is proud to enlist the various patents that have been granted and which have been filed and are awaiting approval.

Patents - Granted:

Hollow Trunnions for Scissors Jack

This invention was granted for being able to develop an innovative component namely the Hollow Trunnion for use in scissor jack. The use of Hollow Trunnion allows the production of a much lighter jack than the existing products available in the market. The Hollow Trunnion is a type of joint which is used in manufacturing of different components. The improvised Hollow Trunnion component is substantially lighter than those readily available in the market. Thus its key feature is to provide much lighter and simpler trunnion for jack that will lead to decrease in the weight as well as cost of the scissor jack. Your Company has the exclusive right for this product innovation until 2013.

Slim Pantograph Jack

Grant of this invention by the US Patent Office has ensured that your Company enjoys the exclusive rights for manufacturing and developing the slim pantograph jack for a total period of 18 years (1999 – 2017). There are different types of Jacks which are usually stored in a vehicle to allow the driver undertake repairs during an emergency situation. One such type of portable Jack is the Pantograph Scissor Jack which typically is in a parallelogram or a pantograph shape with four joints to support the load. By this invention your Company's designing team has been able to enhance the working mechanism of a pantograph jack thereby leading to reduction in weight and resultantly cost benefits. Your Company has therefore been committed to provide highly innovative and technologically advanced products to OEMs both domestic and global to cater to their fast growing demands.

Jack Handle with Detachable Jack Driver

A jack handle with a detachable jack driver was an innovation presented by your Company to the US Patent Office in 2003 for which your Company was granted a patent in the year 2004 thereby giving your Company the advantage of being the only auto component supplier for this product until 2023. Particularly significant in this regard is, the potential that this invention affords to provide for a high quality, light weight, multi-functional, low cost assembly which is the requirement of an OEM.

Slim Pantograph Jack with Bearing Spacer

This innovation is an improvisation of the portable jack which is used to either raise or lower the vehicle in order to ensure that repairs are successfully done during an emergency situation. There is continuing emphasis by auto makers to reduce the size and weight of different components. In turn, jack manufacturing companies like your Company has been continuously attempting to reduce the size and weight of jacks while still providing adequate strength to bear required loads.

So, by this designing advancement made by your company's designing team the US Patent Office has granted a patent in 2005 for which your Company has the exclusive rights till 2024. This distinctive process put forth by this invention provides OEMs with a jack assembly which is light in weight, has high load bearing capacity, is of high quality, is compact in size and yet is highly cost effective.

Scissors Jack Gear Tooth Disengagement Prevention System

The US Patent Office granted your company the patent for this excellent product innovation in 2006 for a period of 13 years. A scissor jack gear tooth disengagement prevention system allows improvising on the existing scissor jack which is often used for raising automotive vehicle and other loads away from the ground. Such scissor jacks though small are designed to lift extremely heavy and bulky loads.

When large bulky loads are placed on the load bearing, a frequent twisting action occurs which could unbalance the load of the object being lifted. This twisting action can cause the gear teeth to disengage thereby causing failure of the jack which could be fatal. Obviously, this is a dangerous situation when large loads are involved, like changing of a tire in an automotive vehicle.

Still further, a stamped steel tubular spacer or a piece of steel tubing has been placed in an effort to prevent the gear teeth from deforming in an inward direction during extreme loading that could be dangerous situation. However, the approach as presented by your company's designing team, adds not only significant cost advantage but also a significant constructional complexity to the jack assembly.

Patents: Our Value Driver

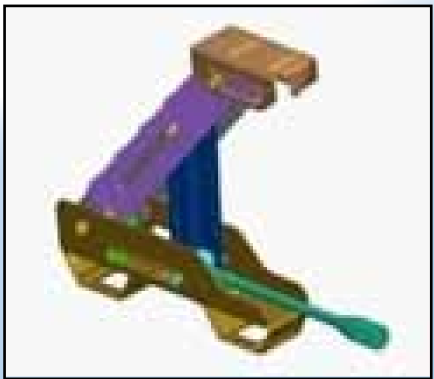
Patents - Awaiting Grant:

Collapsible Pedal System (Crash type pedal system)

Your Company has filed for a patent in the US Patent Office and we are awaiting grant for this product design. It has been verified by your Company's Patenting Authority that there exists no other such product or patent in the industry. Thus, if granted, this product patent will open up immense opportunities in the field of designing and value engineering, thereby providing it an edge over competitors. While, it will be exclusively enjoyed by your Company upto 2031 from the date of grant, the same will ensure that your Company becomes the preferred Supplier of this safety proposition to leading OEMs world over.

The Crash type pedal system is a showcase of your Company's superior value engineering skills. The unique characteristic of this design is to ensure protection of the driver's foot during a crash which is not possible in the existing products offered in the market. Additionally, it will allow the driver to also control the foot controlled brake, clutch assemblies during a collision due to the collapsible nature of this Crash Pedal System. Thus safety of the driver is the most crucial aspect considered by OEMs which will significantly benefit the end-user. This technological advancement has been approved and recognized by General Motors, one of the leading International OEMs.

Quick Jack

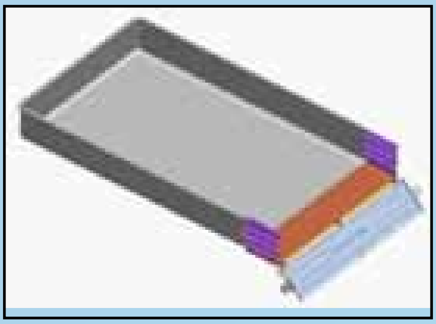


Your Company filed for this patent in 2008 and has since been awarded a provisional patent. This product design allows improvising on the existing jacks which are used for lifting and supporting automobiles, trucks and other loads. The advantages of this technologically advanced jack assembly is the compact design, convenience in handling, lesser weight, possibility to adjust height, less storage space required, ability to provide mechanical advantage for lift, high quality sheet metal components are used in manufacturing and most of all its value in terms of being easy to operate.

Your Company is hopeful of being granted the patent and will be exclusively available to your Company for period upto 2028. Further, it will offer tremendous scope for establishing your Company's presence across various automotive segments as well as across geographies world over thereby helping it earn global recognition for its designing and value engineering skills.

Load Body Extender

This invention relates to apparatus and methods applied for extending the length and volume of vehicle Load Body which is extended for big size / bulky loads incorporated in Tail Gate. This particular design development is particularly useful in Commercial Vehicles given that they are used to transport goods over long distances. Thus the extended length and storage capacity offers value to the end user as it is part of the vehicle offered by the OEM from its factory gate. At the same time, the quality, durability and sturdiness and easy operational methodologies offer added convenience to the end customer. The patent as and when granted will provide an exclusive right to your Company until 2028.

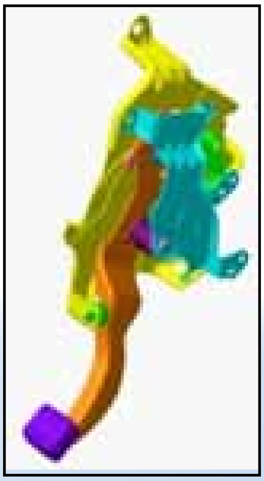


Roto Crank

This novel mechanism is used to rotate the stationary screw to either raise or lower the three bar linkage (quick jack type mechanism) which is particularly used in tire carrier and winch system. This invention is one which has application in all those activities where rotation is required. Presently, the rotation mechanism used in a screw jack is tedious and hence can be easily replaced by the oscillating mechanism which is the core of this invention as put forward by your Company's highly skilled designing team.

Foot Operated Parking Brake (Park Brake Assembly)

In today's world of advanced engineering, there is a severe need of a mechanical system which can serve the purpose of pulling a wire or rope or cable, locking and releasing mechanism. In addition to all this requirements the system should be lighter in weight, good in aesthetics, cost effective and user friendly. The Foot Operated Parking Brake system is one such design where your Company has applied for a patent in 2009 with USA Patent Office, and grant for the same is awaited.



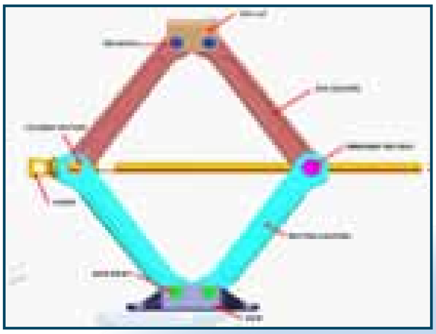
This product has the advantage of controlling the Parking Brake using the foot as against the existing system of controlling with hands. Further, it also can be manufactured using less number of components and improved manufacturing techniques as compared to other existing products available in the market. Resultantly, there is significant savings in costs and reduction in weight of the product in the final assembly line of the vehicle without undermining the aesthetics of the design and also making free the space between the Driver and Co-passenger in front, for better use.

Patents: Our Value Driver

Patents Proposed - Not Filed Yet:

Nishabdh - The Jack Maker:

Your Company has been developing innovative designs for screw jacks which are commonly used in any vehicle for its customers and hence have been their preferred suppliers. Now, given the intense competition witnessed in the automotive industry, the requirements to provide cost efficient and optimized designs for various components and sub assemblies of your Company's existing as well as prospective customers too are increasing. Hence your Company developed the program "NISHABDH" which meets these growing demands of OEMs to cater and respond to their growing demand of providing optimized design solutions for scissor jack assemblies.



This program is developed using the CAD Software Pro -E Wildfire 2.0 version and thus can develop optimized solution within minutes by working with different combinations of required components that suit your Company's customer's requirements. By using this program as many as 1,800 different combinations of screw jack designs can be prepared within no time thereby leading to significant reduction in product development time and the associated costs.

Ergonomic Handle Adjuster:

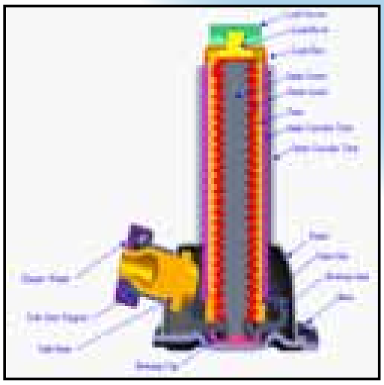
It is a two direction handle adjusting mechanism operated by motor to suit the driver.

Positioning & Locking Mechanism:

In the conventional system, the Positioning & Locking Mechanism the lever operating the pawl requires a covering metal element to support the Pawl rivet and ratchet rivet. In this new concept designed by your Company, the design is made in such a way that this covering metal component is eliminated and the outermost cover is used to support, operate and guide the components.

Consequently, this innovative system ensures reduction of about 25 per cent in the overall weight of the mechanism as compared to the existing products in the market as the number of components used in the new design are much less. Further, it enhances the safety of the components due to the internal teeth, as against the external teeth.

Bottle Jack optimized Design Wizard:

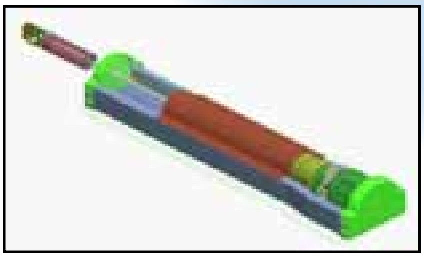


This is an improvisation of the existing scissor jack assembly. This is an example of your Company's value engineering expertise being showcased with the modified design and data processing being made with the help of 3D CAD Software (Pro-E Wildfire – 2.0). Use of this software ensures quick availability of CAD Data for analysis and modification in design thereby offering optimized and faster design solutions.

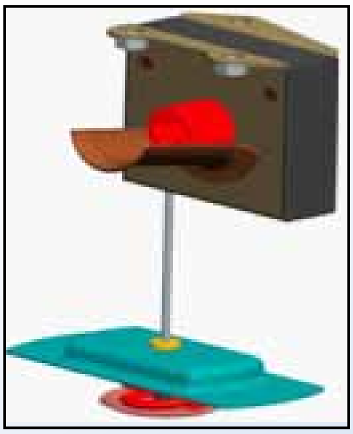
With this advanced technology put at use, it allows OEMs as well as component makers to reduce the overall weight and processing time of crucial cost components in the overall manufacturing budget. This will enable your company to quickly respond to the customers with an improvised, new and high quality design. The process involved in manufacturing this product too is advanced as the stand is manufactured by stamping rather than the conventional casting method.

Electrical Parking Brake (EPB):

Screw Cam Operated (SCO) – Electrical Parking Brake (EPB) is a compact EPB design which runs by DC electric Motor. Currently, parking brakes are operated manually. With this invention, the parking brake which uses electric current will soon displace the existing manually operated parking brake. The unique feature of this design is the use of a uni-directional motor which would considerably reduce costs involved in manufacturing the park brake assemblies. Further, as compared to traditional manufacturing components, this system will involve manufacturing of assemblies based on sheet metal components in which your Company has expertise.



Design of Tyre Carrier / Winch:



A unique and cost effective design of Tyre Carrier / Winch has been developed by your Company's highly skilled and talented design team. Normally, a tyre carrier / winch are used for raising, lowering and holding or storing a spare tyre having a rim in a vehicle. The unique attributes of this innovation are the self locking mechanism which allows raising and lowering the direction of positioning the tyre in the vehicle thereby leading to a drastic reduction in the input force compared to existing designs (esp. in SUVs/ MUVs). Further, with less number of components being used, the weight also decreases thereby resulting in cost efficiencies and convenience in handling the assembly.

R&D: Our Strategy Driver

A deeper intent to remain ahead of the competitive curve has always supported your Company's team to innovate, develop and design new products. The future clearly lies not only in mass production of sheet metal components, but in designing, re-engineering, developing, building and patenting products specially designed based on customers' needs. Your Company is proud to have developed these high end designing and engineering skills over the years through investments in R&D and also through inorganic expansions.

Our Product Innovations:

Composite Vehicle Body:

This is an ultra light weight product, developed for a leading European Automobile company during the year by DEP – Autoline our Associate Company. This product has utility at the stage of testing the auto part for durability, reliability, noise and vibration loads during a crash.

Seat Recliner Mechanism:

This product was designed and developed by your Company's designing team and DEP – Autoline for a Korean Auto manufacturer. The primary characteristic is the cost effective design for a seat recliner without undermining the quality and performance metrics.

Adjustable Pedal Assembly:

The design concept has been developed and customized by your Company's subsidiary, Autoline Industries Inc. USA, which has been submitted to Ford Motors, a global auto manufacturer. Your Company is in the process of filing a patent for this product as market testing and study for durability, reliability and performance measurement has been underway.

High Deck Load Body:

This project was specifically undertaken by your Company's subsidiary, Autoline Design Software Ltd., for one of India's largest automobile companies. Development of this product is a showcase of your Company's expertise developed in the industry as against competitors. Moreover, as the product is a part of the whole Light Commercial Vehicle (LCV) being provided from the OEMs factory gate, the benefits of standardized model and quality being offered to the end user at competitive rates distinguishes our position in the components industry.

Our Technological Innovations:

Meshworks V6.1:

This is the flagship CAE modeling software developed by your Company's Associate - DEP – Autoline. This was released in 2012 with significant improvements, addition of new functions to enable advanced morphing and parameterization of various models and finite elements.

An innovative motion control based software and its superior technology ensures that your Company maintains its competitive edge in the market. This software allows OEMs to significantly reduce the time and costs involved in a product life cycle. The application of this software would lead to reduction of about 90 per cent of the time and cost involved in the product development lifecycle for an OEM.

Having received an overwhelming response for the beta version that was launched earlier during the year, your company is confident of tapping the huge potential that lies ahead.

CAE - Initiatives:

Autoline Design Software Ltd., one of your Company's subsidiaries has been able to undertake mass optimization of 25 per cent per seat, of a two-wheeler by taking into consideration the design requirements. This CAE initiative helped the OEMs to reduce the time involved in tool modification and thereby the associated costs leading to an overall efficiency in the process of product development. Another example of this is the complete analysis done for High Deck Load Body project. Here the design modification were suggested using the CAE initiative and which resulted in reducing the number of trials

For other assemblies like parking brake, clutch pedal and brake pedal, your Company's team has been instrumental in conducting non-linear analysis for renowned domestic and international auto manufacturers like Tata Motors, Ashok Leyland, Volkswagen, General Motors, Ford, etc to name a few. This non-liner analysis is crucial to achieve an optimal design by ensuring evaluation, testing in real time. The computer based simulations as against physical prototype testing have its advantages in terms of reduced cost, efforts and time taken for design development and modification.

Our Patents:

CAD - Morpher:

Developed by your Associate Company - DEP – Autoline is being awarded a Provisional Patent. The key characteristics of this software developed are, it allows OEMs to morph existing CAD models as per specific requirements or targeted style in hardly anytime as against the time taken by traditional design methods. The most important benefit of this application is reduction of over 60 per cent in time taken for developing a new product. Further, this application will seamlessly interface with all major CAD systems which are currently being used.

Collapsible Pedal Assembly:

This patent has been applied for in year 2011, approval for which is still pending at the USA/ Europe / South Korea patent office. The key characteristics, are to protect drivers foot / ankle during a frontal or offset vehicle crash. This product aims to meet the EuroNCAP Safety requirements which are mandatory for European / Global Automotive programs. This patent protects Autoline Industries from any possible litigation and from competitors as we are awaiting grant of the same from the US Patent Office. And based on this innovation we have been awarded one GM program M2XX.

Crash Release Mechanism:

Recently, your Company has been awarded a global patent for Crash Release Mechanism for the efforts of your Company's global engineering team. This product aims to help the end customer utilize the brake pedal even after the vehicle crash event has occurred and is a fast growing safety requirement of global OEMs.

Park Brake Handle Assembly:

This assembly has been designed and developed to meet specific customer requirements to ensure functionality during front offset crash event. Your Company have earned recognition for this design from General Motors one of the leading automakers in the United States. Development of this product ensured that your Company emerges as a key player in the Global Mechanical Parke Brake manufacturing segment. Further, this product has also been able to meet the quality specification of General Motors which displays your Company's untiring efforts of adhering to global quality standards of automobile manufacturers.

Jack Assemblies:

A portable jack is often stored in any vehicle to help the driver lift the vehicle in case of any emergency like changing of tyre, etc. As part of your Company's designing and styling skills, your Company has been able to develop a jack assembly which is significantly advanced in terms of technology used for existing portable jacks. Further, it also is re-designed in a manner which can be easily used by the driver irrespective of the gender and weight. This invention particularly focuses on convenience, ease of use, multi functional, light weight, low cost and an effective assembly and hence have been awarded the patent by the US Patent Office.

Some of Our Products

Skin Panels Door Outer

LH

RH

Cab Stay

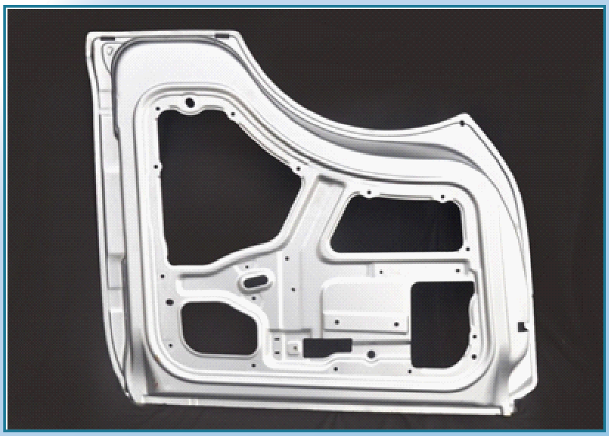
Cabin Floor Structure

AUTO LINE

Some of our Products

Driver Control Systems

Assembly Floor



Front Panel

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of Members of Autoline Industries Limited will be held on **Thursday, 27th September, 2012 at 2.30 p.m.** at Survey Nos. 291 to 295, Nanekarwadi, Chakan, Tal- Khed, Dist. Pune 410501 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the financial year ended 31st March, 2012 together with Reports of the Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2012;
3. To appoint a Director in place of Mr. Prakash B. Nimbalkar, who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint Director in place of CA. Vijay K. Thanawala, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors

Place : Pune **(Ashutosh Kulkarni)**
Date : 19th July, 2012. **Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE 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. Proxies submitted on behalf of limited companies, societies, bodies corporate etc. must be supported by appropriate resolution or authority as applicable.
3. Annual Report of the Company is also available on the Company's website at **www.autolineind.com**
4. The Company is concerned with environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India through its circular Nos. 17/2011 and 18/2011 dated 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. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.
5. In terms of Article 97 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Prakash B. Nimbalkar and CA. Vijay Thanawala, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.
6. 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. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 7th September, 2012 to Tuesday, 11th September, 2012(both days inclusive).
8. 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 form 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.
9. 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.
10. 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.

11. Members/ Proxies are requested to bring Annual Report and attendance slip duly filled in.

12. 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.

13. 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.

14. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 27th September, 2012 to those persons or their mandate :

    a) Whose names appear as Beneficial Owners as at the end of the business hours on Thursday, 6th September, 2012 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 validshare transfers in physical form lodged with the Company/ Registrar and Share Transfer Agents on or before Thursday, 6th September, 2012

15. 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.

16. Documents referred to in any of the items of the notice are available for inspection at the registered office of the Company upto 27th September, 2012 on all working days, except Sundays, during business hours of the Company.

17. Unclaimed Dividends :

    The dividends which remain unclaimed/ un-encashed over a period of 7 years have to be transferred by theCompany to Investor Education & Protection Fund, constituted by the Central Government under Section 205(A) and205(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 ₹ Per share**	**Due date of the proposed transfer to the Central Government**
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
30.12.2011	12.01.2012	2010-11	3.00	29.12.2018

    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-cashed dividend warrants to the Registered Office of the Company for revalidation and en-cash them before the due date for transfer to the Central Government.

By Order of the Board of Directors
For AUTOLINE INDUSTIRES LIMITED

Place : Pune
Date : 19th July, 2012.

ASHUTOSH KULKARNI
COMPANY SECRETARY

DIRECTORS' REPORT

(Including Management Discussion and Analysis Report)

Dear Member(s),

Your Directors are pleased to present their 16th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2012.

FINANCIAL RESULTS:

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

(₹ in Millions except EPS data)

	Standalone		Consolidated	
PARTICULARS	**31.3.2012***	**31.03.2011**	**31.3.2012***	**31.03.2011**
Revenue from operations (Net)	5840.59	4937.86	7483.52	6567.15
Earnings before Interest, Financial Charges, Depreciation, Tax & Amortisation- EBIDTA	650.51	596.07	782.52	741.03
Less: Finance Cost	284.56	183.23	305.82	199.18
Less: Depreciation & amortization expenses	194.58	147.74	210.52	186.64
Add: Exceptional items	203.86	----	203.86	----
Profit Before Tax	375.23	265.10	470.04	355.21
Tax Expense	40.50	64.49	75.15	73.15
Profit After Tax but before deducting minority interest (PAT)	334.73	200.61	394.89	282.06
Less : Minority Interest	----	----	(1.86)	8.67
Profit Attributable to group	----	----	396.75	273.39
Earnings per Share (Basic) (in ₹)	27.43	16.44	32.51	22.40
Earnings per Share (Weighted Average) (in ₹)	27.43	16.44	32.51	22.40

DIVIDEND:

The Board of Directors has recommended a dividend of ₹ 4 per equity share (i.e. 40%) amounting to ₹ 56.74 Millions including Dividend Distribution tax, (Previous Year ₹ 3.00 per equity share (i.e. 30%) amounting to ₹ 42.70 Millions including Dividend Distribution tax.)

PERFORMANCE REVIEW (CONSOLIDATED BASIS):

- Revenue from operations (Net) increased by 13.95 % from ₹ 6567.15 Millions to ₹ 7483.52 Millions.
- Operating EBIDTA (Earnings before Interest, Financial Charges Depreciation, Tax & Amortisation) increased by 5.60 % from ₹ 741.03 Millions to ₹ 782.52 Millions.
- Profit before tax (PBT) increased by 32.32% from ₹ 355.21 Millions to ₹ 470.04 Millions.
- Profit after tax (PAT) increased by 45.12% from ₹ 273.39 Millions to ₹ 396.75 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 500 Ton to 2000 Ton, inclusive of 2 nos. 1000 Ton Double Action Press Machines. During the financial year under review, your Company has installed 4 nos. 500 Ton presses to cater requirements of new projects. The total no. of presses installed in this plant are 17. Your Company has also set up a separate Die Maintenance area along with additional Die washing facility and additional EOT Crane to meet the quality requirements of OEMs and increase in number of large Dies for maintenance.

During the year under review, your Company has been awarded business from Mahindra Navistar Automotive Ltd. In the first phase, supply of press parts / assemblies required for its heavy commercial Vehicles started in this financial year with a dedicated assembly line set up. In the second phase, Mahindra will be awarding business for their new upcoming models of vehicles. The costing logic for commercial settlement is finalized and RFQs for new parts / assembly development for their new upcoming models are awaited.

Your Company has further commissioned a new welding Assembly line for Sub-structure Project of Tata Motors Ltd. (TML) for its medium Commercial vehicles. Pilot batch of 100 assemblies produced and sent to TML for their vehicle assemblies. Various other projects like Safari Merlin project, Xenon Euro 5 Project, Army Ambulance Project, and Mudguard Project etc. are also productionised in this financial year.

This particular plant is engaged in manufacturing of various sheet metal components along with major assembly lines for Structure Assembly, Door Assemblies, Roof panel, Vehicle 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.

On future business development front, your Company is exploring the business possibilities with upcoming global automotive players like Foton, a Chinese Truck Maker, Jaguar Land Rover (JLR) etc. Initial visits from Foton and JLR have taken place and your Company is in further business discussions with them.

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. (CAD/ CAM team of about 25 engineers). 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 ₹ 97.63 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.

During the year, Exhaust system added of 180 HP vehicle with the silencer which are supplied to Asian Motors Works Ltd. Structural Assembly as well as Press Components, Sub-structure added in this year 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 & Structural Assemblies, ETP plant to control effluents, for LPG line which is used for OVEN, Gas Detector for safety purpose, etc.

C) Manufacturing facility at Plot Nos. 5, 6 & 8, Rudrapur -Uttarakhand, India:

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 Tata Motors Ltd.

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, Uttarakhand.

At Plot No. 8, your Company have installed the press shop which consists of 10 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 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. The Semi-Automated Assembly line is ready with a capacity to produce 400 Nos. per day. The Commercial Production is likely to start from 1st November, 2012.

D) Manufacturing facility at Plot No. E-12-17 (7), MIDC, Bhosari, Pune, India:

Your Company has set 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 completed by end of November, 2011. The Company has started its production for Volkswagen & Daimler and other OEMs. The press line of 6 Presses with capacity from 63 Ton to 350 Ton as well as 5 Ton overhead crane & 200 CFM compressor have been installed. Two assemblies have been 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, India (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 '0' PPM for pedal systems.

New assemblies (all single source from your Company) introduced during the year are as under:

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 proposes to set up manufacturing facility at Dharwad for Tata Motors Limited's expansion of capacity for IRIS & ZIP and other new models. Tata Motors Ltd has started its production of ZIP 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 in their vendor park at Dharwad. Till such time, your Company owned 2 acres of land near Tata Motors Ltd's factory at Dharwad, alongwith a rented shed, will be used to assemble the components being supplied by your Company at present for same vehicle viz: ZIP at Pantnagar, Uttarakhand.

G) Autoline Industrial Parks Limited - (AIPL):

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.

The process has got delayed due to non-receipt of certain permissions from the State Government, which seems to be in no hurry and is taking its own sweet time.

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

R&D Initiatives and / or technological advancements during the year and its benefit to Autoline Industries Ltd and OEMs.:

1) Design concept proposed to TATA MOTORS as VAVE for their existing SCREW JACK for weight reduction.

ADSL have optimized the design by integrating the parts and reducing the number of components in the assembly and also used the optimum material thickness to satisfy the given loading conditions.

Design Proposal Details:

Existing jack weight: 1.50 Kg

Autoline Jack Design weight: 1.28 Kg

(% reduction in weight: 14.66 %)

Existing Jack: no. of components: 16

Autoline design: no. of components: 13

(% reduction in no. of components: 18.75%)

Our VAVE proposal has been appreciated and business is awarded to Autoline Industries Ltd.

2) CAE - Initiative

The mass optimization of 25% per seat of a two wheeler for VARROC has been achieved. The mass optimization done by taking the design considerations in to account. The mass optimization process with the help of CAE tools helped to reduce the overall tool modifications & hence the cost of modifications.

3) The complete analysis of TATA HI-DECK LOAD BODY was done and the suggested design modifications helped to reduce the no. of trials to prove the product validation. Warranty exposure is reduced by identifying and eliminating potential problems. When properly integrated into product and manufacturing development, CAE enabled earlier problem resolution, which reduced the costs associated with the product lifecycle.

4) The Non-linear analysis of small assemblies like parking break, clutch pedal and brake pedal of GM, TATA MOTORS and ASHOK LEYLAND is carried out to achieve optimal design. Evaluated and refined analysis using computer simulations rather than physical prototype testing helped to reduce the efforts for the design modifications and development process. The results are 85-90% in relation with physical testing.

5) The optimization of heavy vehicle bracket for an excitation load is done. ADSL have presented this analysis in Altair national level paper seminar (HTC-2012) at Bangalore.

6) ADSL Structural design team has :

- Done the design of High deck load body of LCV for one of the largest OEM in India and also supported Autoline Industries Ltd to set up the line for production. The products to be manufactured in a State -of-the Art Automated Assembly Line is to be launched in the market very shortly.
- Given design support to Autoline Industries Ltd. to develop Cab tilt & Cab stay. Analysis of manufacturing feasibility of the same. Suggesting design modifications to improve the product life cycle & better functioning of the Cab tilt & Cab stay for an International OEM.

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 Autoline Inc, USA for a European Auto manufacturer.

7) ADSL is also working closely with a leading Automobile OEM for conversion of an existing SEDAN to a LOAD CARRIER with minimum changes and cost effectiveness in close co-operation with DEP Autoline Inc, USA.

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

1) During the year under review, Autoline -Butler emerged as a key player in the Global Mechanical Park Brake segment. The Company was awarded with a USD 92 Million contract over a 6 year period supplying over 1.4 Million park brakes globally from Europe, China, Korea and USA. Your Company will now expand into these geographies and start servicing global OEMs in these regions. Additionally, your Company has secured USD 18 Million contract for supplying park brakes in the US for a global medium sized car starting in 2016.

2) During the year under review, your Company launched a new 5 year Ford Pedal program for a small size SUV supplying over 340,000 units / year. The annual sales is USD 4.2 Million. Additionally a small luxury sedan pedal program was launched for GM supplying 140,000 units / year.

3) A chassis spare tyre kit program was launched supplying 350,000 units / year at an estimated value of USD 1.2 Million.

Your Company, through Autoline Industries Inc. USA, proposes to start operations in Europe, China and expand operations in South Korea, to support a Global Small Car Program of an International OEM.

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 and no further action is expected, as advised by our Lawyers in Italy.

The 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. At the meeting held on 19th January, 2012, the hearing for the approval of the Concordato Preventivo under the Italian Laws has been again postponed to 23rd February, 2012 as the Tax Authorities & one of the Creditors have voted against the proposal. SZ Design Srl was granted time upto 10th February 2012 to file reply to such oppositions. After the hearing of 23rd February 2012, the Bankruptcy Tribunal has reserved the decision. The Company will take suitable action after the decision.

The Tribunal of Milan has not yet issued a decision on the approval or rejection of the Arbitration Proceedings and till date the decision on Concordato Preventivo has not yet finalised. The final decision will be known only by end of September, 2012.

K) EXPORTS:

Your Company now exports Thirty one Sheet Metal Parts & Assemblies to Cummins Power Generation USA and Cummins Filtration USA. During the financial year 2011-12, your Company has exported worth USD 1.32 Million (₹ 62.45 Million). There was a 102% growth in exports as compared to the financial year 2010-11. During the financial year 2011-12, 6 new parts have been added for Cummins Filtration USA.

In the current financial year 2012-13, Exports to Cummins is expected to improve by 28%. Running parts will achieve a business of USD 1.97 Million (₹ 88.65 Million) and new parts will add USD 0.18 (₹ 8.1 Million).

During the period under review, your Company, also exported to South Korea and others ₹ 6.54 Millions worth of Components.

TRANSFER TO GENERAL RESERVES:

During the year, a sum of ₹ 33.50 Millions has been transferred to the General Reserve Account.

FIXED DEPOSITS:

During the year, your Company has not accepted any deposits under the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1975 framed thereunder. However during the year, the Company has repaid fixed deposits of ₹ 23 Millions along with 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 February 8, 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 summaries of the subsidiary companies are provided under the section 'Subsidiary Companies: Financial Highlights 2011-12' 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 31st December, 2011, your Company received Eligibility Certificate for Chakan Project ('Mega 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 Directorate of Industries, Government of Maharashtra. As per the Scheme, your Company has been sanctioned Industrial Promotion Subsidy (IPS) amounting to ₹ 77.38 Crores to be availed over a period of 7 years starting from 1st October, 2009. The Company received a credit of ₹ 10.10 Crores on 11th June, 2012 towards IPS (being 85% of admissible IPS of ₹ 3.66 Crores and ₹ 8.22 Crores for the F.Y. 2009-10 and 2010-11 respectively). Further, your Company has also submitted a claim for IPS for F.Y. 2011-12 and a credit of ₹ 7.22 Crores (being 85% of admissible IPS of ₹ 8.49 Crores) is expected to be received shortly.

Further, your Company plans to submit the claims out of the total entitlement of ₹ 77.38 Crores on a yearly basis from Financial year 2012-13 onwards (to be claimed within 6 months of the end of each financial year).

Domestic Companies:

i) Autoline Design Software Limited :

The revenue from operations including exports was ₹ 31.34 Millions (Previous Year ₹ 23.03 Millions). Profit before tax stood at ₹ 5.52 Millions (Previous Year ₹ 2.30 Millions). Profit after tax was ₹ 3.48 Millions (Previous Year ₹ 1.44 Millions).

ii) Autoline Industrial Parks Limited :

During the year under review, your Company acquired the balance land. The business operations have not yet started. During the year, the Company incurred a loss of ₹ 3.80 Millions.

Foreign Companies:

i) Autoline Industries, INC. USA :

During the period under review, the turnover increased to USD 348,02,137 amounting to ₹ 1677.90 Millions (Previous year turnover was USD 315,83,076 amounting to ₹ 1440.62 Millions). During the period, the Company achieved net profit of USD 13,99,121 amounting to ₹ 65.84 Millions (previous year net profit was USD 13,75,884 amounting to ₹ 63.04 Millions).

ii) 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 85,484 amounting to ₹ 5.35 Millions. (Previous year loss was Euros 12,122 amounting to ₹ 0.73 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:

During the financial year 2011-12, Cmde. N. Ravindranathan IN. (Retd.) and Mr. Ajit Karnik, Non- Executive and Independent Directors of the Company retiring by rotation at the 15th Annual General Meeting (AGM) held on 30th December, 2011, did not seek re-appointment vide their letters dated 29th December, 2011. Accordingly the Shareholders at the said AGM did not re-appoint them as Directors of the Company and they ceased to be Directors with effect from 30th December, 2011.

Mr. Prakash Nimbalkar and CA. Vijay Thanawala retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

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, 2012 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. As per Autoline ESOS 2008, 1,60,000 Options were granted to 171 Permanent employees and 15,000 options were granted to 5 Independent Directors. During the year under review, 10 employees holding options resigned. The number of options lapsed up to year ended 31st March, 2012 is 11460. These options are available for re-issue. 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 are being eligible offer themselves for re-appointment. The name of the said firm has been changed to M/s. K V M D S & Associates, Chartered Accountants, Pune with effect from 19th July, 2012. The Company has received letters from M/s. K V M D S & Associates, Chartered Accountants, Pune 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. The Statutory Auditors, if appointed, shall hold the office until the conclusion of the next Annual General Meeting of the Company.

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

COST AUDITORS:

As per the Order of the Ministry of Corporate Affairs, the Cost Audit has become applicable for the Company. Accordingly, the Company has appointed Mr. S.G. Jog, Cost Accountant, Pune as the Cost Auditors for the financial year 2012-13.

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 : 19th July, 2012

(Prakash B.Nimbalkar)
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – A

IInformation under Section217(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, 2012.

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. Street and shop light saving by alternate wiring.

ii. In-house repairing of street lamps resulting in cost saving.

iii. Compressor, water pump, cooling tower, lights and machines mains switch turned off (shut down of power supply) during non- working hours viz.- lunch time, tea time etc.

iv. Power factor controlled by monitoring capacitor resulting into saving in energy.

v. 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.

vi. EDO charges reduces from 17% to 9% resulting in cost saving.

vii. Installation of poly carbonate sheets and air ventilators to get natural light and air at paint and structure shop.

viii. For exhaust assembly ring elimination done and used tube directly.

ix. For exhaust assembly taper cutting operation eliminated.

x. Energy saving by Alternator - Fly wheel energy(mechanical) - Convert into electrical Energy by Alternator.

xi. Air saving by the modification of air pipe line done during die change process, air waste to reduce pressure.

xii. Energy saving by avoid air dropage, whenever power failure air used by, gridding,until tank empty.

xiii. Energy saving - 150 watt lamp removed and used 36 watt CFL tube, Main Motor 100Hp replaced and used 75 Hp. In Press Shop area 10 Halogen removed

xiv. Oil saving -Modified Oil pipe line, Recollect & filtrate & oil leakage attended.

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 in 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	**139.47**	111.13
	Total Amount	₹ in Lacs	**698.22**	598.52
	Rate per Unit	₹	**5.01**	5.38
(B)	Own Generation Through Diesel Generator- Units	KWH in Lacs		
	Unit per ltr. Of Diesel Oil	₹ in Lacs		
	Cost per Unit	₹		

(B) Consumption per unit of production

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

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption - Expenditure in Research & Development.

Sr. No.	Particulars	(₹)
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) Standardisation of Die Shut Height 25 Dies

2) Clamping Slots provided for Direct Clamping 24 Dies

3) Scrap Trays provided for Trim & Pierce Die.

4) Average Die setup time reduced from 26 Minutes to 18 Minutes.

5) Highest Stroking 1970370 Nos. Achieved in December -2011.

6) All plants have been provided for sufficient number of palletisation support for the improvement in quality during the movement of components/assemblies. Following components/assemblies are involved in this:
   a. Front door Safari
   b. Rear door, tunnel and roof

7) To maintain quality of transportation (pallets) separate section has been made.

8) In the assembly areas inspection table has been provided with required illumination to check and control asthetic quality of skin panels.

9) Separate die maintenance area is ear marked for the maintaining the dies to achieve the quality every time.

10) Green room concept has been provided in the press shop to achieve the quality standards.

11) Un-wanted things have been removed from door outers to avoid dents and damages during the process of pressing.

12) Visual display of carbon nugget test record has been kept on each line.

13) On all the plants POKA YOKE has been introduced to achieve mistake proof results.

14) 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.

15) All the plants follow the system of '5S' on the shop floor to improve the working standards.

16) Chequered plates have been replaced to improve the working area round the presses to avoid accidents.

17) Employees have been requested to use safety equipments during working hours.

18) Low cost automation conveyor developed in- house and installed between 2 presses and presses are operated in line mode.

19) To avail the sunset clause/industrial package benefits, the assemblies of upcoming projects and sample parts has been productionised.

20) New department called "Program Management" formed for all new project handling.

21) Skilled manpower hired who are capable in terms of Quality Management Systems, Manufacturing development and Supplier Quality Engineering.

22) Training provided to all employees for awareness of electrical energy savings when they are off the work place.

23) Overtime cost for assembly reduced due to exigencies of material availability from suppliers /group companies.

Autoline Industries USA Inc.

Major focus was spent on operational improvements implementing several Kaizen programs at all the key assembly lines. Several of the initiatives are listed below.

Improvement to Production Systems

1) Color coding WC# 's to improve visual ability to check for correct containers and parts reduces DT restocking and ensures better housekeeping practices

2) Added to length of paint line so we can continue adding new weld cells directly to paint line to reduce HC for hanging parts from welders

3) Purchased 26' straight truck that resulted in approx $1K a week in reduced freight costs also improves cash flow and overall inventory

4) Replaced.045 wire and bottled gas on wld#18, this reduces all types of gas used to only 1 that is cheaper as we buy it in bulk

5) Began quick die change tooling on all dies, this will save on press DT and C/O costs est ($80K) year on increased burden recovery same with the wire

6) New layout of Cami line slated for 12/12, will reduce HC by 1 possibly 2 EE's and reduce DT by reducing the amount of automation in the line

7) Press fit of Transfer case studs, to reduce weld time and scrap targeted for 10/12

8) Kan Ban stamped parts, so we can visually schedule press time based on empties available

9) Rebuilt Drill &Tap machine for $11K, this resulted in a 3 month payback by reducing our breakage of the carbide drills and taps life went from less than 5K pcs to average of 30K pc

Green Energy Conservation Initiatives

1) Rebuild of Drill &Tap machine reduced both our hydraulic oil and coolant usage by 100%.

2) Eliminated the front washer boiler that ran on Natural gas, this was replaced with 4 electric heaters that are energy efficient estimate $3K a month gas savings after adjusting for electric consumption

3) Recycle of all wooden pkg with a local business, that eliminates need to dispose in landfills

4) Expanded scrap salvage program to include (carbide drill bits, old tooling, EDM wire , copper weld tips)

5) Graded and applied gravel to side parking lot, to help eliminate rain water flooding at back of building

Benefits derived as a result of above:

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

FOREIGN EXCHANGE EARNINGS & OUTGO :

(₹)

Particulars	2011-12	2010-11
Foreign Exchange Earnings	71,821,230	36,634,834
Foreign Exchange Outgo	132,027,681	197,499,769
Foreign Exchange Inflow	53,650,403	25,835,783

For and on behalf of the Board

Place : Pune
Date : 19th July, 2012

(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	46	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	37	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 : *19th July, 2012*

(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 2012)	11460
(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 2012)	163540
(j)		Employee wise details of options granted during the year	
	1	Senior Management personnel	Nil
	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	₹ 20.26
(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 ₹ 2,59,084/- 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 ₹ 2,59,084/- and EPS would have been lower by ₹ 0.03, 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 KVMDS & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REG. NO-121347W

Date: 19th July, 2012
Place: Pune

VIJAY B. SHETH
PARTNER
MEM.NO.037634

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, 2012, 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 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 KVMDS & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REG. NO-121347W

Place : Pune
Date: 19th July, 2012

VIJAY B. SHETH
PARTNER
MEM.NO.037634

Management Discussion & Analysis

Economic Overview:

The Indian economy remains among the most vibrant and potent economies in the world today, even against the backdrop of a difficult global economic scenario. The world's largest democracy, a growing middle class population, the third largest investor base in the world, a robust legal and banking infrastructure, youth driven economy, suburbanization & rural to urban migration, the second largest pool of certified professionals and the highest number of qualified engineers in the world are some of the features which make India the most favoured destination for business in the world.

India is the world's second fastest growing auto market and boasts of the sixth largest automobile industry after China, USA, Germany, Japan and Brazil. India's auto market is evolving at a rapid pace.

INDUSTRY STRUCTURE AND DEVELOPMENTS :

Automobile Industry:

The Indian Automotive Industry comprises of a number of Indian - origin and MNC players with varying degree of presence across different segments. Today, nine of the top ten global automotive manufacturers have a strong presence in India, clearly indicating India's importance as a strategic market for these MNC Automakers.

Now, inspite of a challenging macro-economic environment on the domestic and global front, the Indian Automobile industry registered a growth of 6.2% in FY 2011-12 which excluded the growth from the two wheeler segment. The passenger vehicle segment grew by 4.7% with domestic sales crossing 2.6 million vehicles mark. Within this, the passenger cars segment has registered a 2.2% growth, Multi-Purpose vehicle (MPV) grew by 10% and the Utility Vehicle space grew by 16.5%.

The Commercial Vehicle Segment growth stood at 18.2%. This growth was principally driven by a rise of 27.4% in the Light Commercial Vehicle Segment. The table below indicates the performance of the Indian Automobile Sector across various segments during FY 2012 as compared to the previous year.

	Total Domestic Sales		Industry Growth (%)	
Segment	**FY 2010-11**	**FY 2011-12**	**FY 2010-11**	**FY 2011-12**
Passenger Cars	19,72,845	20,16,115	29.1	2.2
Utility Vehicles	3,15,123	3,67,012	15.5	16.5
Multi Purpose Vehicles (MPVs)	2,13,574	2,34,945	42.1	10.0
Medium & Heavy Commercial Vehicles (MHCV)	3,23,059	3,48,701	31.9	7.9
Light Commercial Vehicles (LCVs)	3,61,846	4,60,831	25.7	27.4
Total Commercial Vehicles	6,84,905	8,09,532	28.6	18.2

Source : Society of Indian Automobile Manufacturers (SIAM)

It was therefore evident that SIAM lowered its growth forecast across various segments in the Automotive Industry to 10-12% in 2012-13 as against its earlier estimates. The factors for revision in the estimates are higher finance costs, uncertainty over economic growth and stubborn headline inflation leading to reduction in discretionary spending.

Further, a hike in petrol prices and high commodity prices also have been some of the other factors for lowering the growth estimates. Other emerging concern for the industry is the growing labour unrest that was experienced at the facilities of one of India's leading Automakers.

In 2010-11, the total turnover of the automotive industry stood at USD 73 billion, with exports worth USD 11 billion. Of this the turnover of Auto Ancillary industry was USD 30 billion of which exports were valued at USD 5 billion. It is projected that Indian Auto Components industry has the potential to reach a turnover of USD 66.4 billion by 2016 and USD 113 billion by 2020, translating into a fourfold increase over a period of ten years. The mission of the Automotive Mission Plan 2006-16 is to make India a global automotive manufacturing hub and thereby emerge as the destination of choice in Asia for both design and manufacturing of Auto & Auto Components. We have already witnessed traction on the same, and renowned international OEMs like Honda, BMW, General Motors, Volkswagen etc. have beefed up their plans of setting up owned manufacturing bases in India, with a robust capital investment plan.

Auto Ancillary Industry :

The ₹ 1,600 billion (USD 30.77 billion) Indian auto component industry derives its growth impetus from the growth in the automobile industry. Notably, the slow down witnessed by the Automobile Industry has certainly impacted the demand sentiments for the Auto Component Industry as well. However, an anticipated pick-up in growth for the Automobile industry is expected to eventually drive growth for auto parts sector.

As per industry estimates, the Indian auto component industry derives 60 per cent of its turnover from sales to domestic Original Equipment Manufacturers (OEMs), 25 per cent from sales to the domestic replacement market and around 15 per cent from exports.

Further, estimates made by ACMA reveal that auto component exports would robustly grow at a compounded annual growth rate (CAGR) of 18.8 per cent over 2011-21, garnering about USD 29 billion. European and North American markets account for 36 and 23 per cent of the entire industry exports, respectively, while 28 per cent of the exports are made to Asian countries.

In addition, the presence of International OEMs offering small passenger cars too is growing which is indicative of the emergence of India as a most preferred Auto hub for components. In 2007, the presence of OEMs from Korea, USA and Europe stood at 17%, 6% and 2% respectively while in 2011 the same stood at 18%, 9% and 5% respectively. This is likely to fuel growth for auto component makers like Autoline Industries which will emerge as the preferred supplier for components to OEMs,both domestic and global Automakers.

The Indian Auto Components Industry has kept pace with technological developments and is today catering not only to Original Equipment Manufacturers (OEMs) and Tier Component markers (those who supply directly to OEMs) in India, but abroad as well. Many Indian auto component makers including Autoline Industries have also succeeded in emerging as the supplier of choice to global Auto Majors.

Business Performance

During the year gone by, on a consolidated basis your Company recorded a growth of 14% in Net Sales at ₹ 7,483.5 million. This was on account of an increase in volumes due to the addition of new clients, increased order booking from existing clients and addition of new proprietary products like Foot Control Modules, Park Brake Assembly, Exhaust System Assemblies and Adjustable Pedal Assemblies, etc. to name a few.

Consequently, operating profit grew by 6.9% to ₹ 761.6 million which has been in line with the topline growth of your Company and its subsidiaries and also due to a cost conscious approach. However, due to the change in accounting of inventories, it has been marginally impacted. Further, the interest expenses have also increased. This has been in line with the expansion in business activity as well as a high interest rate scenario. The Net Profit for the year increased by 45% at ₹ 397 million which has primarily been on account of the Industrial Promotion Subsidy of ₹ 204 Million received during the year.

(₹ in Millions except EPS data)

PARTICULARS	**Consolidated Financials**	
	2011-12	2010-11
Income from Operations (Net)	**7,483.52**	6,567.15
Other Income	**20.92**	28.72
Profit Before Interest, Depreciation & Taxes	**782.52**	741.03
Finance Costs	**305.82**	199.18
Depreciation	**210.52**	186.64
Profit Before Tax but before Exceptional Items	**266.17**	355.20
Exceptional Items	**203.86**	-
Tax expense	**75.15**	73.15
Profit After Tax but before deducting minority interest	**394.89**	282.06
Less : Minority Interest	**(1.86)**	8.67
Profit / (Loss) for the year	**396.75**	273.39
Earnings per Share (₹)	**32.51**	22.40
Weighted Earnings Per Share (₹)	**32.51**	22.40

Key Competitive Positioning:

Over the years, your Company has built a strong product portfolio and developed high end design and value engineering capabilities. With a foresight on growing through innovation, your Company expanded its operations by acquiring companies with unique design and styling capabilities, creative segments like concepts, style, design, software development and application services that have boosted your Company's product and service offerings.

During the year gone by, we completed the amalgamation of our subsidiaries Nirmiti Auto Components Pvt. Ltd. and Western Pressings Ltd. This has resulted in the expansion of our product portfolio which now includes proprietary products like foot control modules, exhaust systems, jack assemblies, brake assemblies, automotive axles, etc.

Your Company through its other subsidiaries DEP - Autoline Inc. USA and Autoline Design Software Ltd. (ADSL) has been able to develop high end design engineering services, product styling, conceptualization, prototyping, application software development and customization. Resultantly, it has aided your Company's efforts to improve its margins, both at the operating as well as bottomline level and will continue to drive growth in the years to come. Your Company has also emerged as a strong Art - to-Part Service provider for OEMs domestically and internationally. This is exemplified by the various products developed for these OEMs to enhance the performance of the vehicle especially safety of the end user, while at the same time enabling them (OEMs) to reduce costs.

Moreover, with increasing contribution from high end proprietary products like pedal systems, automotive axles, radiator support components for shock absorbers, jack assemblies, CAB Stay & CAB Tilt etc., your Company has been able to enjoy an enhanced footing on the global stage as is evident from the orders bagged from international OEMs like Daimler, General Motors, Volkswagen, Ashok Leyland - Nissan, etc to name a few. Consequently, it has also led to improved and increased brand visibility and awareness for your company.

The potential for designing and value engineering services is immense. Thus, your Company's presence across the value chain will ensure that it enjoys the first mover advantage in the industry with well established product & software designing and engineering facilities and an in-house R&D team.

On account of all this, your Company has been awarded a variety of patents for introducing innovative & cost efficient products developed by your Company's in-house R&D and Designing Teams value engineering skills that are based in USA and India. Different components used in Jack Assemblies, Park Brake Assemblies and Pedal Assemblies are some of them which have been recognized by leading Automotive Companies across the globe.

Furthermore, as the Company is integrated backwards, it has been able to cater to the fast changing and growing demand of OEMs which are increasingly looking to outsource their designing, styling, conceptualizing and other allied activities like re-engineering and value engineering to Tier Component suppliers like your Company that has a well developed and established technological base. Your Company is therefore able to tap this rising opportunity and remain ahead of the curve as competition increases.

RISKS AND CONCERNS

Component manufacturers are required to constantly invest to add value through continuous up-gradation. Low investment in Research and Development and Infrastructural constraints in supply chain and Exports are the other major concerns. Moreover, growing competition from cheaper imports, especially Chinese pose a serious threat to companies in the auto component industry.

With steel (HR & CR) being the key input for Auto Component makers like your Company, raw material costs increases have a direct bearing on selling prices. However, most of our customers have an agreement to compensate us for increases in the price of steel, and hence we remain insulated to that extent.

Conversion costs remain high due to high power & fuel costs and constant investments required in training and up-gradation of our employees' skill sets. For this your Company organizes various participative programs, community activities, global quality awareness programs which positions us on the cusp of growing opportunities and helps us face growing business challenges upfront.

The profitability of Indian Auto Components Industry is likely to be under pressure due to pricing pressures from OEMs, who themselves are entering a phase of heightened competitive intensity constraining their pricing flexibility; threat of rising commodity prices; higher cost of funds due to sticky inflation; entry of new players and new product / model launches and entry of cheaper imports.

Competitiveness and Innovation is the key to growth especially in the face of the aforesaid challenges and innovation and incremental investments in R & D are critical to achieve that. Product specialization and the ability to integrate operations across several related areas of specialization and becoming suppliers of systems aggregate are likely to be the way forward.

Business Outlook :

Strong demand from the OEM segment remains a key driver for the Auto Components Industry. While the global turmoil and tight liquidity conditions caused a major challenge to the Auto Components Industry, there are visible signs of a recovery.

Whereas, theprospects of an immediate recovery of exports to developed markets remain uncertain, the robust underlying domestic demand prevailing across automotive segments is expected to sustain, both in the near and long term.

As has been the trend, Domestic Automotive OEMs will continue to constitute majority of the demand. Nevertheless, with increasing number of International OEMs setting up their manufacturing base in India, the percentage share from them is expected to increase. Increasing collaboration with auto component manufacturers across the automotive value chain, especially the designing and engineering segments is expected to support the growth of the industry.

In addition, the ability to provide operational efficiency,cost benefits and innovation for reducing vehicle weight and costs will be the key to sustenance for Indian Component makers like your Company.

Supportive Government policies, a positive business environment, availability of reasonably priced talented workforce and stable outlook for the industry has made India a global hub for the International Manufacturers to set up their facilities in the country.

As the fortunes of Auto Components Industry are linked to those of the Automotive Industry, this sector is expected to grow with a growing middle class population, rising disposable income levels and adequate availability of financing and lower per capita car penetration. This trend is unlikely to change and will provide an ideal backdrop for a sustained long term demand growth for the Automotive Industry, and that in turn would boost the prospects of Auto Components Industry.

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 a small 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 unauthorized use or disposition and that transaction are authorized, 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 operational efficiency and cost effectiveness of overall operational controls. Your Company appointed "Chandrakant G Doshi & Co. Chartered Accountants", independent firm of Internal Auditors, w.e.f. 1st April, 2010, 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 ₹ 150.61 million 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 2012-2013.

Human Resources

Your Company had a total strength of 3,850 employees as on 31st March, 2012. In order to protect health of employees and to ensure healthy working environment, your Company in January, 2012 has renewed the Employees Group Mediclaim and Personal Accident policy from "ICICI Lombard General Insurance Company Limited".

The Company launched quarterly News letter named 'NINAD' from 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 under the Employees Stock Option Scheme (ESOP), your Company has allotted 12,759 Equity Shares against exercise price of ₹ 25/- per share to its employees and Independent Directors. 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.

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 organization 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 **seven** Directors, comprising of **Non-Executive Chairman,** Mr. Prakash B. Nimbalkar, **three** Executive Directors viz. Mr. M. Radhakrishnan, Managing Director and Chief Executive Officer, Mr. Shivaji T. Akhade, Managing Director and Mr. Sudhir Mungase, Whole time Director and **three** Non-Executive Independent Directors viz., Mr. Prakash B. Nimbalkar, CA. Vijay K. Thanawala, Prof. Abraham Koshy and **one** Non - Executive Director Mr. Amit Goela.

During the financial year 2011-12, Cmde. N. Ravindranathan IN. (Retd.) and Mr. Ajit Karnik, Non- Executive and Independent Directors of the Company retiring by rotation at the 15th Annual General Meeting (AGM) held on 30th December, 2011, did not seek re-appointment vide their letters dated 29th December, 2011. Accordingly, the Shareholders at the said AGM did not re-appointed them as Directors of the Company and they ceased to be Directors with effect from 30th December, 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 2011 - 2012, Five Board meetings were held on the 15th May, 2011, 10th August, 2011, 11th November, 2011, 30th November, 2011 and 21st January, 2012.

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 to be approved at the subsequent Board meeting.

The attendance at the Board meetings held during the financial year 2011-2012 and at the last Annual General Meeting (AGM), the number of other Directorships and Committee Memberships/Chairmanships of Directors as on 31st March, 2012, are as follows:

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

* 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. Ajit Karnik and Cmde. N. Ravindranathan retired by rotation and ceased to be Directors w.e.f 30th December, 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 and Mr. Amit Goela appointed as Non- Executive Director w.e.f. 10th August, 2011.

Disclosure regarding No. of Directorship, Committee membership and No. of Committee Chairmanship is given of those Directors who were on the Board as on 31st March, 2012

Details of Directors retiring by rotation & seeking re-appointment 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. Prakash Nimbalkar	12th February, 1943 15th June, 2006	Expertise in finance area, worked in Reserve Bank of India (RBI), Industrial Development Bank of India (IDBI) and Small Industries Development Bank of India (SIDBI)	Graduate in Commerce and Law (B.Com,LLB), Certificated Associate of Indian Institute of Bankers (CAIIB)	Autoline Industries Ltd - Audit Committee Investor Grievance & Share Transfer Committee.	1. Sicom Ltd 2. Autoline Design Software Limited 3. Sicom Arc Ltd. 4. MPA Financial Services 5. Autoline Industrial Parks Limited 6. Srei Fund Trust Pvt. Ltd. 7. Autoline Industries Inc USA 8. Autoline Industries Indiana LLC	2167**
CA. Vijay K. Thanawala	24th April,1947 15th June, 2006	A Practicing Chartered Accountant for the past 37 years and has vast and varied experience in the field of Audit, Taxation and Management Consultancy.	Chartered Accountant (FCA)	Autoline Industries Ltd - Audit Committee	1. Nova Flexipack Ltd 2. Symphony Integrated Finance Pvt Ltd 3. Thanawala Consultancy Pvt Ltd	859**

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

**No of shares held in the Company includes shares allotted by the Compensation Committee at its meeting held on 19th July, 2012 viz: Mr. Prakash B. Nimbalkar - 1,667 shares and CA. Vijay Thanawala - 834 shares.

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 three members out of which two are non-executive independent Directors viz. C.A. Vijay K. Thanawala, Mr. Prakash B. Nimbalkar, and Mr. M. Radhakrishnan, Managing Director and Chief Executive Officer.

During the year, the Audit Committee was reconstituted, as Mr. Ajit B. Karnik retired and ceased to be Director with effect from 30th December, 2011.

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, Internal 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 Statutory 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.)

n. To review the functioning of the Whistle Blower mechanism.

During the year under review, Seven Audit Committee meetings were held on 4th May, 2011, 15th May, 2011, 7th August, 2011, 10th August, 2011, 10th November, 2011, 30th November, 2011 and 21st January, 2012.

Attendance at the Audit Committee meetings:

Name of the Director	No. of meetings held	No. of meetings attended
CA. Vijay K. Thanawala	7	7
Mr. Prakash B.Nimbalkar	7	7
Mr. Ajit B. Karnik	7	6
Mr. M. Radhakrishnan	7	7

* Mr. Ajit Karnik retired by rotation and ceased to be Director w.e.f. 30th December, 2011.

2. Remuneration Committee

The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director and Whole time 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.

During the year, the Remuneration Committee was reconstituted, as Cmde. N. Ravindranathan IN (Retd.) retired and ceased to be Director with effect from 30th December, 2011. Mr. Prakash B. Nimbalkar appointed as the Chairman and member of the Committee w.e.f. 21st January, 2012.

The Remuneration Committee consists of Mr. Prakash B. Nimbalkar, CA. Vijay K. Thanawala, and Prof. Abraham Koshy All are Non-Executive and Independent Directors.

The meeting of the Remuneration Committee was held on 10th August, 2011 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
Cmde. N. Ravindranathan IN (Retd)*	1	1

* Cmde. N. Ravindranathan IN (Retd.) retired and ceased to be Director w.e.f. 30th December, 2011.

The details of remuneration paid to Directors of the Company during the financial year 2011-12 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	6,33,681	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	6,00,958	5 years w.e.f. 1st October, 2011
Mr. Prakash B. Nimbalkar Non- Executive Chairman & Independent Director	——	0.40	**0.630**	**2167**	—
CA. Vijay K. Thanawala Non-Executive & Independent Director	——	0.40	**0.225**	**859**	—
Prof. Abraham Koshy Non-Executive & Independent Director	——	0.40	**0.07**	**834**	—
Mr. Ajit B. Karnik** Non-Executive & Independent Director	——	0.40	**0.200**	**1434**	—
Cmde. N. Ravindranathan IN (Retd)** Non-Executive & Independent Director	——	0.40	**0.07**	**1034**	—
Mr. Amit Goela Non-Executive Director***	——	0.40	**0.06**	**1,25,000**	—

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

** Mr. Ajit Karnik retired by rotation and ceased to be Director w.e.f. 30th December, 2011.

**Cmde. N. Ravindranathan IN (Retd.) retired by rotation and ceased to be Director w.e.f. 30th December, 2011.

*** Mr. Amit Goela appointed as Additional 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 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 & ₹ 10,000/- for attending other Committee Meetings.

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 2011-12.

During the period, the remuneration paid to Managing Directors and Whole time Director 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 Whole time Director 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 not to take any commission for the financial year 2011-12.

Service contracts, notice period, severance fees

(₹ in Millions)

Contract Terms	Mr. Shivaji.T. Akhade Managing Director	Mr. M. Radhakrishnan Managing Director & CEO*	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

* Mr. M. Radhakrishnan appointed as Managing Director & CEO w.e.f. 10th Aug, 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.

During the year, the Investors' Grievance and Share Transfer Committee was reconstituted as Mr. Ajit B. Karnik retired and ceased to be Director with effect from 30th December, 2011.

The Committee consists of three members out of whom two are Non-Executive Independent Directors viz. Mr. Prakash B. Nimbalkar, Prof. Abraham Koshy 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 15th May, 2011, 10th August, 2011, 11th November, 2011, 21st January, 2012.

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	3
Mr. M. Radhakrishnan	4	4
Prof. Abraham Koshy**	4	1

* Mr. Ajit Karnik retired by rotation and ceased to be Director w.e.f. 30th December, 2011.

** Prof. Abraham Koshy appointed as member of the committee w.e.f. 21st January, 2012.

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, 2012. During the year under review, the Company had received complaints from shareholders relating to dividend which were duly resolved.

4. Executive Committee:

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 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. Sudhir V. Mungase was made a member of the Executive Committee as per Board Meeting held on 21st January, 2012.

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

During the year under review, the Committee met Twenty Five times on 5th April, 2011, 10th May, 2011,14th June, 2011, 30th June, 2011, 18th July, 2011, 26th July, 2011, 7th August, 2011, 10th August, 2011, 19th August, 2011, 29th August, 2011, 6th September, 2011, 10th September, 2011, 16th September, 2011, 15th October, 2011, 4th November, 2011, 19th November, 2011, 23rd November, 2011, 10th December, 2011, 30th December, 2011, 7th January, 2012, 14th January, 2012, 30th January, 2012, 18th February, 2012, 3rd March, 2012 and 24th March, 2012.

Attendance at the Executive Committee meeting:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash B. Nimbalkar	25	25
Mr. Shivaji T. Akhade	25	25
Mr. M. Radhakrishnan	25	25
Mr. Sudhir V. Mungase	25	2

5. Compensation Committee

The Committee has been constituted to administer and monitor Autoline ESOS Scheme 2008.

During the year, the Compensation Committee was reconstituted as Cmde. N. Ravindranathan retired and ceased to be Director with effect from 30th December, 2011.

The Committee consists of four members out of which three are Non- Executive Directors viz. Mr. Prakash Nimbalkar, CA. Vijay Thanawala, Prof. Abraham Koshy and one Executive Director, Mr. M. Radhakrishnan. CA. Vijay Thanawala 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 once on 21st January, 2012

Attendance at the Compensation Committee Meeting:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash Nimbalkar	1	1
CA. Vijay Thanawala	1	1
Prof. Abraham Koshy	1	1
Mr. M. Radhakrishnan	1	1

As at 31st March 2012, 4309 options have lapsed/surrendered. Each option represents a right but not obligation to apply for 1 fully paid equity share of ₹ 10/-each at the exercise price of ₹ 25/-. The options granted vest over 3 year from the date of grant.

As per Autoline ESOS 2008, the Compensation Committee Meeting granted 1,60,000 options to 171 employees and 15,000 options to 5 Non-Executive and Independent Directors on 12th November 2010. During the year under review, 10 employees holding options resigned. Cumulative number of options which have lapsed due to separations is 11460. These options are available for re-issue. 2,500 options each granted to Cmde. N. Ravindranathan and Mr. Ajit Karnik, the retiring Independent and Non-Executive Directors will continue to be valid. Disclosure as required by SEBI guidelines on ESOS is annexed to the Directors' report.

Further the Compensation Committee Meeting at its meeting held on 19th July, 2012, have approved allotment of 12,759 Equity Shares, including 5,003 Equity Shares to the Independent Directors as follows pursuant to exercise of options at an exercise price of ₹ 25 per share.

Sr. No.	Name of Independent and Non-Executive Directors	No. of options granted	No. of Shares allotted
1	Mr. Prakash B. Nimbalkar	5,000	1,667
2	Mr. Vijay K Thanawala	2500	834
3	Mr. Ajit Karnik	2500	834
4	Cmde. N. Ravindranathan	2500	834
5	Prof. Abraham Koshy	2500	834
	TOTAL	**15,000**	**5,003**

C. General 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
2010-11 15th AGM, Friday, 30th December, 2011	2.30 p.m	S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed. Pune 410501	1. Consent of the members to re-appoint Mr. Shivaji T. Akhade as a Managing Director for a period of five years commencing from 1st October, 2011 to 30th September, 2016. 2. Consent of the members to re-appoint Mr. M. Radhakrishnan as a Managing Director for a period of five years commencing from 1st October, 2011 to 30th September, 2016. 3. Consent of the members to re-appoint Mr. Sudhir V. Mungase as a Wholetime Director for a period of five years commencing from 1st October, 2011 to 30th September, 2016. 4. Consent of the members to appoint Mr. Rajiv Radhakrishnan, relative (son) of Mr. M. Radhakrishnan, Managing Director of the Company to hold office with Autoline Industries Inc. USA. (Wholly Owned Subsidiary of Autoline Industries Limited)
2009-10 14th AGM, Friday, 24th September, 2010	3.00 p.m.	S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed. Pune 410501	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	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

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	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 Aniyan Kunju.

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

Resolutions passed through Postal Ballot:

During the year 2011-12, 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.

During the year, the Company filed application under Section 297 of the Companies Act, 1956 with the Hon'ble Regional Director to get approval for the contracts to be entered with related parties. While processing the application, Hon'ble Regional Director sought details of all previous related party transactions as disclosed in the Balance Sheets for last 5 years. Accordingly the Company filed required details. However, there were few related parties with whom the Company had entered into contracts for long tenure (more than 5 years). Hon'ble Regional Director was of the view that any contract is valid for a period of 5 years only and thus transactions entered with these parties beyond 5 years need to be regularised by filing Compounding application.

Further the Company replied in writing that there is no such express provision under the Companies Act, 1956 restricting any contract only for 5 years and mentioned that similar details were provided at the time of filing application under Section 297 of the Companies Act, 1956 in the year 2008 and 2011 and at that time these long tenure contracts were accepted by the Hon'ble Regional Director. However, Regional Director office was of the view that the Company should get the contravention compounded by filling necessary application to the said office. Thereafter the Board of Directors of the Company decided to apply for Compounding of the said contracts with the related parties, as advised by the Hon'ble Regional Director.

The Compounding application was heard on 19th June 2012 and based on the order for compounding, the Company and its Executive Directors paid a compounding fee of Rs. 1,20,000/- each.

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) 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.

f) 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.

g) 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 regularly inform BSE / NSE and also 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.sebiedifar.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, 2011, 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 : Thursday, 27th September, 2012 at 2.30 pm

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 : Third week of July, 2012

Quarterly / Half-yearly results : Second week of November, 2012

Third quarter results : Second week of January, 2013

Fourth quarter results : Last week of April, 2013

**iii. Dates of book closure : ** From 7th September, 2012 to 11th September, 2012 (both days inclusive).

**iv. Dividend payment : ** On or after Thursday, 27th September, 2012

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

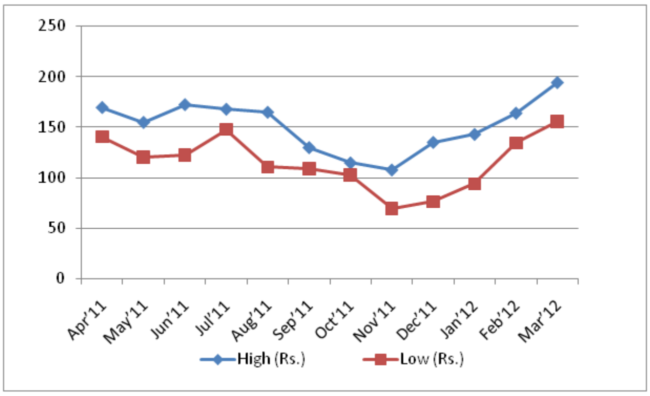
ISIN for Equity shares: INE718H01014

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

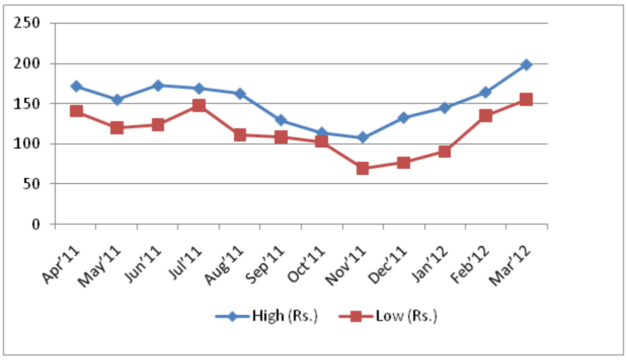
Monthly high and low quotations of shares traded on Stock Exchanges for the period from 1st April, 2011 to 31st March, 2012:

	Bombay Stock Exchange Ltd.				National Stock Exchange of India Ltd.			
	AUTOLINE		SENSEX		AUTOLINE		NIFTY	
Month	High (₹)	Low(₹)	High (₹)	Low(₹)	High (₹)	Low(₹)	High (₹)	Low(₹)
Apr'11	169.70	140.65	19811.14	18976.19	172.00	140.60	5944.45	5693.25
May'11	154.90	120.75	19253.87	17786.13	155.00	120.00	5775.25	5328.70
Jun'11	172.55	122.65	18873.39	17314.38	172.75	123.50	5657.90	5195.90
Jul'11	168.00	148.10	19131.70	18131.86	169.00	148.10	5740.40	5453.95
Aug'11	165.00	110.70	18440.07	15987.77	162.50	111.25	5551.90	4720.00
Sep'11	129.90	109.05	17211.80	15801.01	129.50	108.65	5169.25	4758.85
Oct'11	114.70	103.15	17908.13	15745.43	113.60	102.60	5399.70	4728.30
Nov'11	107.70	69.50	17702.26	15478.69	107.95	69.00	5326.45	4639.10
Dec'11	135.10	76.55	17003.71	15135.86	132.50	76.30	5099.25	4531.15
Jan'12	143.00	94.10	17258.97	15358.02	144.85	90.05	5217.00	4588.05
Feb'12	164.05	134.70	18523.78	17061.55	164.40	135.00	5629.95	5159.00
Mar'12	194.40	156.00	18040.69	16920.61	198.90	155.55	5499.40	5135.95

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 :

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

ix. Share transfer system :

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 dematerialsation 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, 2012

No of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-5000	13195	90.8059	1236961	10.1349
5001-10000	641	4.4113	513153	4.2045
10001-20000	306	2.1058	477497	3.9123
20001-30000	124	0.8533	316774	2.5955
30001-40000	49	0.3372	179095	1.4674
40001-50000	61	0.4198	289262	2.3700
50001-100000	71	0.4886	525920	4.3091
100001 and above	84	0.5781	8666307	71.0064
Total	**14531**	**100.00**	**12204969**	**100.00**

xi Shareholding as on 31st March 2012

Sr. No	Category	No. of shares held	% of holding
(A)	**Shareholding of Promoter & promoter group**		
I	**Indian**		
A	Individuals	2606567	21.36
B	Bodies Corporate	1000000	8.19
II	**Foreign**	**----**	**----**
	Total shareholding of promoter and promoter group - (A)	**36,06,567**	**29.55**
(B)	**Public shareholding**		
I	**Institution**		
A	Mutual funds	71015	0.58
B	Banks, Financial Institutions	18273	0.15
C	FIIs	310000	2.54
	Sub total B (I)	3,99,288	3.27
II	**Non Institutions**		
A	Bodies corporate	2286162	18.73
B	Individuals holding nominal capital up to ₹ 1 Lac	2946920	24.15
C	Individuals holding nominal capital in excess of ₹ 1 Lac	2083960	17.07
D	Clearing member	127725	1.05
E	Foreign national	10763	0.09
F	Non-resident Indian	499558	4.09
G	Foreign Companies	118151	0.97
H	Other Directors and relatives	125875	1.03
	Sub total B (II)	**81,99,114**	**67.18**
	Total Public shareholding B(I) + B(II)	**85,98,402**	**70.45**
(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, 2012 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, 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, Rudrapur, Uttarakhand - 263 153

9) 2/86, 7th Avenue, Ashok Nagar, Chennai - 600 083.

Foreign units locations:

1) Autoline Industries USA, Inc :100, Commerce Street, Butler, IN. 46721 USA

2) Autoline Stampings Limited - 431 - 809 779, Gwanyang-dong,Dong-an-gu Anyang-si, Gysonggi-do, South - Korea

3) DEP Autoline, INC.USA : 560 Kirts Blvd., Suite 103, Troy, Michigan - 48084, USA

4) Koderat Investments Limited - Griva Digeni 115, Trident Centre, 3101, 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, 2011 to 31st March, 2012 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

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

For Autoline Industries Limited

Sd/-
(Ravi Ketkar)
Chief Financial Officer

Place : Pune
Dated : 28th April, 2012

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, 2012.

For Autoline Industries Limited

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

Place : Pune
Dated : 28th April, 2012

AUDITOR'S REPORT

TO,
The Members,

AUTOLINE INDUSTRIES LIMITED.

We have audited the attached **BALANCE SHEET** of **AUTOLINE INDUSTRIES LIMITED** as at **31st March 2012,** the Statement of 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, as amended by the Companies (Auditor's Report) Amendment order, 2004 (together the "Order"), issued by the Central Government of India in terms of section 227 (4A) of Companies Act, 1956 and on the basis of such checks of the books and records of the company 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 of the company.

   c) The Balance Sheet, Statement of Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.

   d) Without qualifying our opinion, we draw attention to -

      (i) Sub-note to note no.9 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, the Balance Sheet, Statement of 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, to the extent applicable.

   f) On the basis of the written representation received from the Directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 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 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, 2012.**

      ii) In the case of the Statement of 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 : 28TH APRIL, 2012

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, 2012]

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 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, 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 **₹11,06,00,780/-** and has been given to two parties.

   b) In our opinion, and according to the information and explanations given to us, rate of interest in case of one subsidiary company and interest free loan to wholly own foreign subsidiary company and other terms and conditions of loan given by the company, secured or unsecured, to the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.

   c) There is no prescribed stipulation of repayment of principal & interest.

   d) In respect of loan granted by company, the same are repayable 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 unsecured loan, from wholly owned subsidiary covered in the Register maintained under Section 301 of the Companies Act 1956. The year end balance is **₹ 80,18,055/-** and is from one party.

   f) The advance accepted by the company is from wholly owned subsidiary company and as such the terms and conditions of this advance are not prejudicial to the interest of the company.

   g) There is no prescribed stipulation of repayment of principal & interest.

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 system 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 system.

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 particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

   b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contracts or arrangements during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6) The company has not accepted any deposits under the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1975 framed thereunder.

7) The Company has an internal audit system comprising of its own internal management audit team, and also a firm of chartered accountants appointed as internal auditor by the management and in our opinion, company's present internal audit system is commensurate with the size of the company and the nature of its business.

8) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under

clause (d) of subsection (1) of section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. The same are verified by external cost auditor appointed by company for carrying cost audit and has expressed their satisfaction for the cost record. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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, 2012, for a period of more than six months from the date they became payable.

b) As at 31st March 2012, according to the records of the Company and on the basis of information and explanations given to us, except for Income Tax & Sales Tax (VAT), there are no disputed dues in respect of Custom Duty, Wealth Tax, Excise Duty, Service Tax and Cess.

The disputed amount is in respect of liability under Income Tax Act, 1961 for Asst. Year 2008-09 relevant to Financial Year 2007-08 is aggregating to ₹ 2,92,96,660/- , which has not been deposited as at 31st March. 2012. The appeal in respect of same is pending with The Commissioner of Income Tax (Appeals) Pune.

The disputed amount is in respect of liability under The Maharashtra Value Added Tax Act, 2002/ The Central Sales Tax Act, 1956 for Financial Year 2000-01 is aggregating to ₹1,10,00,000/- and for Financial Year 2001-02 is aggregating to ₹1,25,00,000/- , which has not been deposited as at 31st March, 2012. The appeal in respect of same is pending with The Joint Commissioner of Sales Tax (Appeals) Pune.

10) The company has no accumulated losses as at March 31, 2012, and has not incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.

11) 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.

12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13) 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.

14) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.

15) 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.

16) 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.

17) 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.

18) 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.

19) No debentures have been issued during the year.

20) During the year the Company has not raised money by public issue.

21) 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 : 28TH APRIL, 2012

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

BALANCE SHEET AS AT 31ST MARCH 2012

	Particulars	Note No.	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	122,049,690	122,049,690
	(b) Reserves and surplus	2	2,190,068,821	1,901,414,562
			2,312,118,511	2,023,464,252
2	**Non-current liabilities**			
	(a) Long-term borrowings	3	887,680,896	899,673,902
	(b) Deferred tax liabilities (net)		115,815,829	85,565,829
			1,003,496,725	985,239,731
3	**Current liabilities**			
	(a) Short-term borrowings	4	1,420,542,782	1,077,862,231
	(b) Trade payables	5	779,874,632	633,424,786
	(c) Other current liabilities	6	88,065,834	18,975,200
	(d) Short-term provisions	7	127,311,873	118,143,981
			2,415,795,121	1,848,406,198
	TOTAL		**5,731,410,358**	**4,857,110,181**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	8.A	2,583,576,518	2,452,732,696
	(ii) Intangible assets	8.A	142,520,838	169,914,196
	(iii) Capital work-in-progress		147,985,198	314,398,945
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			2,874,082,554	2,937,045,837
	(b) Non-current investments	9	971,641,820	834,167,295
	(c) Long-term loans and advances	10	85,286,331	24,912,414
	(d) Other non-current assets	11	15,283,959	20,531,846
			3,946,294,665	3,816,657,392
2	**Current assets**			
	(a) Inventories	12	824,886,179	343,742,983
	(b) Trade receivables	13	396,886,014	280,040,844
	(c) Cash and cash equivalents	14	67,003,094	138,965,939
	(d) Short-term loans and advances	15	292,476,392	277,703,024
	(e) Other current assets	16	203,864,014	-
			1,785,115,693	1,040,452,790
	TOTAL		**5,731,410,358**	**4,857,110,181**

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 28th APRIL, 2012

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2012

	Particulars	Note No.	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
A	**CONTINUING OPERATIONS**			
1	Revenue from operations (gross)	17	6,279,188,485	5,343,524,187
	Less: Excise duty	17	438,597,446	405,663,107
	Revenue from operations (net)		5,840,591,040	4,937,861,080
2	Other income	18	24,077,695	13,495,569
3	**Total revenue (1+2)**		**5,864,668,735**	**4,951,356,649**
4	Expenses			
	(a) Cost of materials consumed	19.a	4,353,024,870	3,304,518,364
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.b	-265,907,258	-64,978,185
	(c) Employee benefits expenses	20	315,933,461	176,818,598
	(d) Finance costs	21	284,563,875	183,226,947
	(e) Depreciation and amortisation expenses	8.B	194,581,327	147,738,171
	(f) Other expenses	22	811,110,084	938,927,279
	Total expenses		**5,693,306,359**	**4,686,251,173**
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		171,362,376	265,105,476
6	Exceptional items	23.a	203,864,014	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)		375,226,390	265,105,476
8	Extraordinary items	23.b	-	-
9	Profit / (Loss) before tax (7 + 8)		375,226,390	265,105,476
10	**Tax expense:**			
	(a) Current tax expense for current year		70,086,000	55,190,000
	(b) (Less): MAT credit (where applicable)		-61,887,525	-
	(c) Current tax expense relating to prior years		2,048,692	-
	(d) Net current tax expense		10,247,167	55,190,000
	(e) Deferred tax		30,250,000	9,304,000
			40,497,167	**64,494,000**
11	Profit / (Loss) from continuing operations (9 +10)		334,729,223	200,611,476
B	**DISCONTINUING OPERATIONS**			
12.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
			-	-
12.iii	Add / (Less): Tax expense of discontinuing operations		-	-
13	Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)		-	-
C	**TOTAL OPERATIONS (A+B)**		334,729,223	200,611,476
14	Profit / (Loss) for the year		334,729,223	200,611,476
15	Earnings per share (of ₹ 10/- each):			
	(a) Basic for Continuing Operation	29	27.43	16.44
	(b) Diluted for Continuing Operation	29	27.43	16.44

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 28th APRIL, 2012

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

Cash Flow Statement for the year ended 31st March, 2012

	Particulars	31-03-2012 ₹	31-03-2011 ₹
A.	**Cash Flow from Operating Activities**		
	Net Profit after Tax	334,729,223	200,611,476
	Adjustment for :		
	Depreciation	194,581,327	147,738,171
	Depreciation on Consolidated Assets	-	62,190,071
	Employee Stock Options	11,049,425	4,647,269
	Amortisation of Miscellaneous Expenditure	5,247,887	199,685
	Deferred Tax Liability (Net)	30,250,000	20,674,329
	Operating Profit before Working Capital Changes	575,857,862	436,061,000
	Adjustment for :		
	Trade Receivable and Other Current Assets	(340,730,443)	59,912,246
	Inventories	(481,143,196)	(90,685,066)
	Misc. Expenditure	-	(19,932,791)
	Trade Payables and Other Current Liabilities	224,708,372	115,963,335
	Cash Generated from Operations	(21,307,405)	501,318,724
	Net Cash from Operating Activities	(21,307,405)	501,318,724
B.	**Cash Flow from Investing Activities**		
	Acquisition of Fixed Assets (Net)	(132,002,748)	(867,157,966)
	Investments	(137,474,525)	40,768,625
	Long-term loans and advances	(60,373,917)	-
	Other non-current assets	5,247,887	-
	Net Cash from Investing Activities	(324,603,304)	(826,389,341)
C.	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings (Net)	330,687,545	423,538,282
	Dividend	(56,739,680)	(42,696,185)
	Net Cash from Financing Activities	273,947,865	380,842,097
	Net Increase / Decrease in Cash & Cash Equivalent	(71,962,844)	55,771,480
	Cash & Cash equivalent as at 01.04.2011	138,965,939	83,194,461
	Cash & Cash equivalent as at 31.03.2012	67,003,094	138,965,941
	Net Increase / Decrease in Cash & Cash Equivalent	(71,962,844)	55,771,480

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 28th APRIL, 2012

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

Notes Forming Part of the financial statements

Note 1 Share Capital

Particulars	As at 31 March, 2012		As at 31March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹10 each with voting rights	29,500,000	295,000,000	29,500,000	295,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights	12,204,969	122,049,690	12,204,969	122,049,690
Total	**12,204,969**	**122,049,690**	**12,204,969**	**122,049,690**

Sub-Note Related to Note 1 :-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights							
Year ended 31 March, 2012							
- Number of shares	12,204,969	-	-	-	-	-	12,204,969
- Amount (₹)	122,049,690	-	-	-	-	-	122,049,690
Year ended 31 March, 2011							
- Number of shares	12,204,969	-	-	-	-	-	12,204,969
- Amount (₹)	122,049,690	-	-	-	-	-	122,049,690

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Linc Wise Software Private Limited	1,000,000	8.19%	1,000,000	8.19%
Mrs. Rekha Rakesh Jhunjhunwala	731,233	5.99%	731,233	5.99%
Mrs. Rema Radhakrishnan	664,717	5.45%	622,217	5.10%
Mr. Shivaji Tukaram Akhade	633,681	5.19%		
Religare Finvest Limited	610,550	5.00%		
Total	**3,640,181**	**29.82%**	**2,353,450**	**19.28%**

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2012	As at 31 March, 2011
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	588,125	588,125
Fully paid up by way of bonus shares	2,004,728	2,004,728
Total	**2,592,853**	**2,592,853**

Note 2 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Capital reserve		
Opening balance	-	27,000,000
Less: Utilised for Merger	-	27,000,000
Closing balance	-	-

(b) Securities premium account		
Opening balance	1,223,200,032	1,233,492,728
Less : Utilised during the year for:		
Merger	-	7,243,196
Deferred Tax Asset of Share IPO Expenses	-	3,049,500
Closing balance	1,223,200,032	1,223,200,032
(c) Revaluation reserve		
Opening balance	10,598,254	10,982,958
Less: Utilised for set off against depreciation of Revalued Asset	384,704	384,704
Closing balance	10,213,550	10,598,254
(d) Share options outstanding account		
Employee Stock Options Outstanding Account	39,441,888	41,028,750
Less : Deferred Employee Compensation Account	23,745,194	36,381,481
Net Balance	15,696,694	4,647,269
(e) General reserve		
Opening balance	86,727,655	65,200,000
Add: Transferred from Merged Entities	-	527,655
Add: Transferred from surplus in Statement of Profit and Loss	33,500,000	21,000,000
Closing balance	120,227,655	86,727,655
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	576,241,348	439,326,062
Add: Profit / (Loss) for the year	334,729,223	200,611,476
Less:		
Dividend proposed to be distributed to equity shareholders (₹ 4 per share)	48,819,876	36,614,906
Tax on dividend	7,919,804	6,081,279
Transferred to:		
- General reserve	33,500,000	21,000,000
Closing balance	820,730,890	576,241,352
Total	2,190,068,821	1,901,414,562

Note 3 Long-term borrowings

Particulars	**As at 31 March, 2012 ₹**	**As at 31 March, 2011 ₹**
(a) Term loans		
From banks		
Secured	857,300,089	856,575,337
Unsecured	-	20,000,000
	857,300,089	876,575,337
From other parties	-	-
(b) Deposits		
Secured	-	-
Unsecured	15,176,779	206,279
	15,176,779	206,279
(c) Deferred payment liabilities		
Secured		-
Unsecured	15,204,028	22,892,286
	15,204,028	22,892,286
Total	**887,680,896**	**899,673,902**

Sub-note to Note 3

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Secured	Unsecured	Secured	Unsecured
Term loans from banks:				
Bank of Baroda Term Loan	130,446,214	-	134,904,825	-
Axis Bank Ltd Term Loan-1	300,542,349	-	353,291,074	-
Axis Bank Ltd Term Loan-2	109,954,442	-	23,489,940	-
NKGSB Co-op. Bank Ltd.Term Loans	37,124,097	-	49,799,552	-
Vidya Sahakari Bank Ltd Term Loan	8,742,389	-	8,374,346	-
The Catholic Syrian Bank Ltd Term Loan-1	202,538,068	-	271,009,952	-
The Catholic Syrian Bank Ltd Term Loan-2	65,751,532	-	13,773,608	-
HDFC Auto Loan Bharat Loan(Honda CivicV)	343,734	-	672,712	-
HDFC Auto Premium Loan-Toyota Fortuner	642,761	-	1,122,323	-
Bank of Baroda Vehicle Loan	1,159,761	-	-	-
Cosmos Bank Vehicle Loan (Indigo CS)	54,743	-	137,005	-
Bahar Merchants Pvt. Ltd.	-	-	-	20,000,000
	857,300,090	-	856,575,337	20,000,000
Deferred payment liabilities:				
Deferred sales tax liability	-	15,204,028	-	22,892,286
Total - Deferred payment liabilities	-	15,204,028	-	22,892,286

Term of Repayment & Security for Secured Loan.

1. Bank of Baroda's loans are secured by First Charge on Fixed assets of the Company situated at Plot Nos. 6 & 8, Uttarakhand and Second Charge on Fixed assets of the Company situated at Survey No.313/314, Nanekarwadi, Chakan. Loan is repayable in 69 monthly installment of ₹ 28.60 Lacs and 1 monthly installment of ₹ 26.60 Lacs.
2. Axis Bank Ltd.'s loans are secured by charge on all Fixed assets of the Company except situated at Plot no.5, 6 & 8, Uttarakhand and Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 and Survey No.313/314, Nanekarwadi, Chakan. Term Loan - I is repayable in 13 quarterly installment of ₹ 2 Crores, next 3 quarterly installment of ₹ 5 Crores and 1 installment of ₹ 4 Crores. Term Loan - II is repayable in 8 quarterly installment of ₹ 1.875 Crores each.
3. Vehicle Loans have been secured by hypothecation of Vehicles.
4. The term loan from NKGSB Co-op. Bank Ltd. & Vidya Sahakari Bank Ltd.has been secured by charge on Fixed assets of the Company at Plot No E-12 (17) (8), M.I.D.C. Bhosari, Pune-411026 & Plot No 5, Uttarakhand. Loan is repayable 60 monthly installment of ₹ 22.65 Lacs (including Interest) & 48 monthly installment of ₹10.79 Lacs each.
5. The Catholic Syrian Bank Ltd.'s loans are secured by First Charge on Fixed assets of the Company situated at Survey No.313/314, Nanekarwadi, Chakan and Second Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand. Term Loan - I is repayable in 57 monthly installment of ₹ 61.41 Lacs each and Term Loan - II is repayable in 60 monthly installment of ₹ 16.67 Lacs each

Note 4 Short-term borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Loans repayable on demand		
From banks		
Secured	1,195,222,919	810,538,549
Unsecured	220,000,000	263,616,652
	1,415,222,919	1,074,155,201
From other parties	-	-
(b) Deposits		
Secured	-	-
Unsecured	-	-
	-	-
(c) Deferred payment liabilities		
Secured	-	-
Unsecured	5,319,863	3,707,030
	5,319,863	3,707,030
Total	1,420,542,782	1,077,862,231

Sub-notes to Note 4:

(i) Details of security for the secured short-term borrowings:

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Loans repayable on demand		
from banks:		
Bank of Baroda Term Loan	34,327,951	28,105,172
Bank of Baroda O/D Acc. against FDR	-	45,509,140
Axis Bank Ltd Term Loan-1	114,274,657	97,325,365
Axis Bank Ltd Term Loan-2	41,807,773	6,471,058
The Catholic Syrian Bank Ltd Term Loan-1	70,570,755	70,028,411
The Catholic Syrian Bank Ltd Term Loan-2	22,909,941	3,559,072
HDFC Auto Loan Bharat Loan (Honda Civic V)	182,837	233,580
HDFC Auto Premium Loan-Toyota Fortuner	341,894	389,695
Bank of Baroda Vehicle Loan	799,836	-
Tata Capital Ltd. Loan	-	28,424
NKGSB Co-op. Bank Ltd.Term Loans	36,530,192	30,855,880
Vidya Sahakari Bank Ltd Term Loan	8,330,983	5,024,607
Cosmos Bank Vehicle Loan (Indigo CS)	52,166	82,203
Vidya Sahakari Bank Ltd CC A/c	-	2,529,871
Bank of Baroda CC A/c	575,874,296	338,849,891
The Catholic Syrian Bank Ltd. CC A/c	252,691,726	149,163,717
NKGSB Co-op. Bank CC A/c	36,527,911	32,299,719
HDFC Bank -Vehicle Loan(UKD)	-	82,743
Total - from banks	1,195,222,917	810,538,549
Deferred payment liabilities:		
Deferred sales tax liability	5,319,863	3,707,030
Total - Deferred payment liabilities	5,319,863	3,707,030

Term of Repayment & Security for Secured Loan.

1. Bank of Baroda's loans are secured by First Charge on Fixed assets of the Company situated at Plot nos. 6 & 8, Uttarakhand and Second Charge on Fixed assets of the Company situated at Survey No.313/314, Nanekarwadi, Chakan. Loan is repayable in 69 monthly installment of ₹ 28.60 Lacs and 1 monthly installment of ₹ 26.60 Lacs.
2. Axis Bank Ltd.'s loans are secured by charge on all Fixed assets of the Company except situated at Plot Nos.5, 6 & 8, Uttarakhand and Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 and Survey no.313,314, Nanekarwadi, Chakan. Term Loan - I is repayable in 13 quarterly installment of ₹ 2 Crores, next 3 quarterly installment of ₹ 5 Crores and 1 installment of ₹ 4 Crores. Term Loan - II is repayable in 8 quarterly installment of ₹ 1.875 Crores each.
3. Vehicle Loans have been secured by hypothecation of Vehicles.
4. The term loan from NKGSB Co-op. Bank Ltd. & Vidya Sahakari Bank Ltd.has been secured by charge on Fixed assets of the Company at Plot No E-12 (17) (8), M.I.D.C. Bhosari, Pune-411026 & Plot No 5, Uttarakhand. Loan is repayable in 60 monthly installment of ₹ 22.65 Lacs (including Interest) 48 monthly installment of ₹ 10.79 Lacs each.
5. The Catholic Syrian Bank Ltd.'s loans are secured by First Charge on Fixed assets of the Company situated at Survey No.313/314, Nanekarwadi, Chakan and Second Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand. Term Loan - I is repayable in 57 monthly installment of ₹ 61.41 Lacs each and Term Loan - II is repayable in 60 monthly installment of ₹ 16.67 Lacs each.
6. The working capital loan from the above banks have been secured by hypothication of current assets of the company.
7. 'During the last year, the company has created and pledged fixed deposits with CITI Bank NA of the amount which together with interest on fixed deposit will take care of installments of ECB loan from Citi Bank NA and amount due along with interest. The last installment is due on 11th Oct 2012. During the year, same accounting policy is followed. The total balance of loan amount outstanding as on 31st March, 2012 of ₹9,27,47,365/- which has been reduced from the amount of fixed deposits with Bank. The interest on ECB loan and interest due on Fixed deposit is accounted as per the amount credited/ debited by the Bank.

   Same treatment is also made with Bank of Baroda Overdraft account against FDR. The total balance of loan amount outstanding as on 31st March, 2012 of ₹5,15,74,319/- which has been reduced from the amount of fixed deposits with Bank. The interest on overdraft account and interest due on Fixed deposit is accounted as per the amount credited/ debited by the Bank.

Note 5 Trade payables

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Trade payables:		
Other than acceptances	773,470,418	629,030,588
MSM Enterprises	6,404,214	4,394,198
Total	**779,874,632**	**633,424,786**

Note 6 Other current liabilities

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Unpaid dividends	677,082	507,196
(b) Interest accrued & due on borrowings	-	1,614,424
(c) Other payables		
(i) Statutory remittances:-		
VAT/CST Payable	56,225,536	19,560,211
Service Tax Payable	329,600	1,001,119
TDS Payable	3,353,334	8,816,261
PF & ESIC Payable	3,770,148	3,384,788
PT Payable	285,600	321,850
Property Tax Payable	193,831	-
(ii) Payables on purchase of fixed assets	22,271,024	-16,374,279
(iii) Interest on MSM Enterprises	867,206	-
(iv) Employee's Loan Repayment	92,473	143,630
Total	**88,065,834**	**18,975,200**

Note 7 Short-term provisions

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Provision for employee benefits		
(i) Provision for bonus	7,853,505	5,502,327
(ii) Provision for Salary	22,708,549	14,073,053
(iii) Provision for Leave Encashment	5,823,283	2,563,540
(iv) Provision for Staff Welfare Expenses	437,401	364,249
	36,822,738	22,503,168
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)	25,818,136	23,391,455
(ii) Provision for Electricity Expenses	2,465,393	1,515,005
(iii) Provision for Bills Not Booked	1,084,762	26,582,878
(iv) Provision for Expenses	3,448,740	3,640
(v) Provision for Professional Fees	689,940	1,376,033
(vi) Provision for Telephone, Internet & Postage	212,484	75,617
(vii) Provision for Rent	30,000	-
(viii) Provision for Proposed Dividend	48,819,876	36,614,906
(ix) Provision for Tax on Proposed Dividend	7,919,804	6,081,279
	90,489,135	95,640,812
Total	**127,311,873**	**118,143,981**

Notes Forming Part of Balance Sheet as at 31st March 2012

NOTE NO. 8 A : FIXED ASSETS :

Sr No	TANGIBLE ASSET	GROSS BLOCK AS ON 01.04.2011	GROSS BLOCK ADDITIONS	GROSS BLOCK TRANSFERS	GROSS BLOCK DEDUCTIONS	GROSS BLOCK AS ON 31.03.2012	DEPRECIATION AS ON 01.04.2011	DEPRECIATION FOR THE YEAR	DEPRECIATION TRANSFERS	DEPRECIATION DEDUCTIONS	DEPRECIATION AS ON 31.03.2012	NET BLOCK AS ON 31.03.2012	NET BLOCK AS ON 31.03.2011
1	LAND & DEVELOPMENT	123,939,980	-	-	-	123,939,980	1,530,512	-	-	-	1,530,512	122,409,468	122,409,468
2	BUILDING	824,340,953	86,379,716	-	-	910,720,669	84,339,601	28,566,631	-	-	112,906,232	797,814,437	740,001,352
3	PLANT & MACHINERY	1,295,834,622	83,013,927	-	-	1,378,848,549	191,915,582	62,759,309	-	-	254,674,891	1,124,173,658	1,103,919,040
4	TOOLS AND DIES	438,891,130	106,238,972	-	-	545,130,102	109,458,453	51,656,184	-	-	161,114,637	384,015,465	329,432,677
5	COMPUTERS AND SOFTWARES	76,158,707	9,937,861	-	-	86,096,568	37,443,288	13,494,010	-	-	50,937,298	35,159,270	38,715,419
6	ELECTRICAL FITTINGS	97,907,524	10,475,946	-	-	108,383,470	22,353,526	6,340,850	-	-	28,694,376	79,689,094	75,553,998
7	FURNITURE	21,845,481	1,609,331	-	-	23,454,812	6,062,541	1,430,539	-	-	7,493,080	15,961,732	15,782,940
8	VEHICLES	27,769,149	720,000	-	1,325,000	27,164,149	10,116,159	2,706,469	-	706,749	12,115,879	15,048,270	17,652,990
9	OFFICE EQUIPMENTS	11,335,089	658,992	-	-	11,994,081	3,126,367	559,392	-	-	3,685,759	8,308,323	8,208,722
10	MATERIAL HANDLING EQUIPMENTS	1,098,413	-	-	-	1,098,413	109,040	52,175	-	-	161,215	937,198	989,373
11	SITE DEVELOPMENT	212,951	-	-	-	212,951	146,234	7,113	-	-	153,347	59,604	66,717
	TOTAL	2,919,333,999	299,034,745	-	1,325,000	3,217,043,744	466,601,303	167,572,672	-	706,749	633,467,226	2,583,576,518	2,452,732,696

Sr No	INTANGIBLE ASSET	GROSS BLOCK AS ON 01.04.2011	GROSS BLOCK ADDITIONS	GROSS BLOCK TRANSFERS	GROSS BLOCK DEDUCTIONS	GROSS BLOCK AS ON 31.03.2012	DEPRECIATION AS ON 01.04.2011	DEPRECIATION FOR THE YEAR	DEPRECIATION TRANSFERS	DEPRECIATION DEDUCTIONS	DEPRECIATION AS ON 31.03.2012	NET BLOCK AS ON 31.03.2012	NET BLOCK AS ON 31.03.2011
1	R & D PROCESS DEVELOPMENT	194,134,394	-	-	-	194,134,394	50,703,635	19,413,358	-	-	70,116,993	124,017,401	143,430,759
2	INTANGIBLE ASSETS	39,900,000	-	-	-	39,900,000	13,416,563	7,980,000	-	-	21,396,563	18,503,437	26,483,437
3	TRADE MARK	20,500	-	-	-	20,500	20,500	-	-	-	20,500	-	-
	TOTAL	234,054,894	-	-	-	234,054,894	64,140,698	27,393,358	-	-	91,534,056	142,520,838	169,914,196

Sr No	WORK IN PROGRESS	GROSS BLOCK AS ON 01.04.2011	GROSS BLOCK ADDITIONS	GROSS BLOCK TRANSFERS	GROSS BLOCK DEDUCTIONS	GROSS BLOCK AS ON 31.03.2012	DEPRECIATION AS ON 01.04.2011	DEPRECIATION FOR THE YEAR	DEPRECIATION TRANSFERS	DEPRECIATION DEDUCTIONS	DEPRECIATION AS ON 31.03.2012	NET BLOCK AS ON 31.03.2012	NET BLOCK AS ON 31.03.2011
1	CAPITAL WIP	314,398,945	89,679,744	256,093,491	-	147,985,198	-	-	-	-	-	147,985,198	314,398,945
	TOTAL	314,398,945	89,679,744	256,093,491	-	147,985,198	-	-	-	-	-	147,985,198	314,398,945

NOTE 8 B - DEPRECIATION AND AMORTISATION RELATING TO CONTINUING OPERATIONS:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Depreciation and amortisation for the year on tangible assets as per Note 8 A	167,572,672	123,273,053
Depreciation and amortisation for the year on intangible assets as per Note 8 A	27,393,358	24,849,822
Less: Utilised from revaluation reserve	384,704	384,704
Depreciation and amortisation relating to continuing operations	194,581,326	147,738,171

Note 9 Non-current investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted ₹	Unquoted ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
Investments (At cost):						
A. Trade						
(a) Investment in equity instruments						
(i) Subsidiaries						
- Autoline Design Software Limited 21,40,816 (As at 31 March, 2011: 21,40,816) shares of ₹10 each fully paid	-	36,788,900	36,788,900	-	36,788,900	36,788,900
- Autoline Industrial Parks Ltd. 2,48,19,994 (As at 31 March, 2011: 2,48,19,994) shares of ₹10 each fully paid	-	165,499,940	165,499,940	-	165,499,940	165,499,940
- Koderat Investments Ltd. (Cyprus) 1,000 (As at 31 March, 2011: 1,000) shares of Euro 1 each fully paid	-	67,280	67,280	-	67,280	67,280
- Koderat Investments Ltd. (Cyprus) * Advance for investment in SZ Design SRL & Zagato SRL, Italy	-	338,350,511	338,350,511	-	249,864,486	249,864,486
- Autoline Industries USA Inc (USD 1900000) 19,00,000 (As at 31 March, 2011:- 1,00,000 Stock/Share & 8,00,000 Stock / Share Application Money) Stock/Shares of $ 1 each fully paid	-	90,166,860	90,166,860	-	41,477,860	41,477,860
(ii) Associates						
- DEP Autoline Inc., USA 30,600 (As at 31 March, 2011: 30,600) Stock / Shares of $ 1 each fully paid	-	324,362,719	324,362,719	-	324,362,719	324,362,719
- Nuvent Technologies Pvt. Ltd 25,500 (As at 31 March, 2011: 25,500) shares of ₹10 each fully paid	-	255,000	255,000	-	255,000	255,000
Total	-	955,491,210	955,491,210	-	818,316,185	818,316,185
(b) Investment in preference shares						
(i) Subsidiaries						
- Autoline Design Software Limited ** 14,12,926 (As at 31 March, 2011: 14,12,926) 12% Cumulative Redeemable Pref, Share of ₹10 each fully paid	-	14,129,260	14,129,260	-	14,129,260	14,129,260
Total	-	14,129,260	14,129,260	-	14,129,260	14,129,260
Total - Trade (a + b)	-	969,620,470	969,620,470	-	832,445,445	832,445,445
B. Other investments						
(a) Investment in equity instruments						
(i) Other Entities						
- Rupee Co -Op Bank Ltd. 35142 (As at 31 March, 2011: 35142) shares of ₹ 25 each fully paid	-	878,550	878,550	-	878,550	878,550
- Cosmos Co-op. Bank Ltd. Equity Shares 1328 (As at 31 March, 2011: 1328) shares of ₹ 100 each fully paid	-	132,800	132,800	-	132,800	132,800
- NKGSB Co-op. Bank Ltd. Equity Shares 49950 (As at 31 March, 2011: 20000) shares of ₹ 10 each fully paid	-	499,500	499,500	-	200,000	200,000
- Vidya Sahakari Bank Ltd. Equity Shares 5005 (As at 31 March, 2011: 5005) shares of ₹100 each fully paid	-	500,500	500,500	-	500,500	500,500
- Saraswat Co-op. Bank Ltd. Equity Shares 1000 (As at 31 March, 2011: 1000) shares of ₹10 each fully paid	-	10,000	10,000	-	10,000	10,000
Total	-	2,021,350	2,021,350	-	1,721,850	1,721,850

"* Sub-note to **Note 9** - 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 4.80 Million including acquisition expenses (Bal on 31.03.2012 in INR ₹ 33,83,50,511) in wholly owned subsidiary, Koderat Investments Ltd. (Cyprus). In turn the subsidiary utilized the same for investment in S.Z. Design SRL and Zagato SRL Milan Italy. S.Z. Design SRL and Zagato 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 23rd February, 2012 however the tribunal/Italian courts had reserved the decision. Till date the Concordato Preventivo has not given any decision."

** Sub-note to Note 9 - Out of the above, 5 lacs preference shares each are redeemable on 23rd , 25th April, 2012 respectivelly & balance 412926 preference shares on 27th April, 2012.

Note 10 Long-term loans and advances

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a)	Advance income tax (net of provisions) Unsecured, considered good	8,398,806	14,912,414
(b)	MAT credit entitlement - Unsecured, considered good	61,887,525	-
(c)	Balances with government authorities Unsecured, considered good (i) Advance for I.T. Appeal F Y. 07-08	15,000,000	10,000,000
	Total	85,286,331	24,912,414

Note 11 Other non-current assets

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a)	Unamortised expenses		
	(i) Deferred Revenue Expenditure	15,283,959	20,531,846
	(ii) Pre-Operative Expenses	-	-
	Total	15,283,959	20,531,846

Note 12 Inventories

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a)	Raw materials (including spare, tools, consumable & Boughtout)	465,070,496	249,834,559
(b)	Work-in-progress	289,200,712	52,590,886
(c)	Finished goods (other than for trading)	70,614,971	41,317,539
	Total	824,886,179	343,742,984
	(Inventories value at lower of cost and net realisable value)		

Note 13 Trade receivables

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Trade receivables outstanding - (exceeding six months from the date they were due for payment)		
Secured, considered good	5,666,813	6,311,385
Unsecured, considered good		
Doubtful		
	5,666,813	6,311,385
Trade receivables outstanding - (Less than six months from the date they were due for payment)		
Secured, considered good	391,219,201	273,729,459
Unsecured, considered good		
Doubtful		
	391,219,201	273,729,459
Total	396,886,014	280,040,844

Note 14 Cash and cash equivalents

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a)	Cash in hand	240,566	1,659,096
(b)	Balances with banks		
	(i) In current accounts	17,505,372	20,697,288
	(ii) In deposit accounts (Maturing with in 12 months)	48,580,073	116,102,359
	(iii) In earmarked accounts		
	- Unpaid dividend accounts	677,083	507,196
	Total	67,003,094	138,965,939
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is -	67,003,094	138,965,939

Note 15 Short-term loans and advances

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Security deposits		
Secured, considered good		
Unsecured, considered good	12,825,923	11,218,469
Doubtful		
	12,825,923	11,218,469
(b) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	509,093	1,051,701
Doubtful		
	509,093	1,051,701
(c) Prepaid expenses	11,860,808	5,455,458
	11,860,808	5,455,458
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	159,525,073	141,699,330
(ii) Deposit for Sales Tax Appeal	5,000,000	-
(iii) Excise Rebate Claim	172,770	-
	164,697,842	141,699,330
(e) Inter-corporate Loans & Advances		
Secured, considered good	-	-
Unsecured, considered good	102,582,725	118,278,065
Doubtful	-	-
	102,582,725	118,278,065
Total	292,476,392	277,703,024

Note 16 Other current assets

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Others		
(i) Industrial Promotion Subsidy Receivable	203,864,014	-
Total	203,864,014	-

Note 17 Revenue from operations

	Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(a)	Sale of products	5,725,345,449	4,112,149,132
(b)	Sale of services	-	2,554,018
(c)	Other operating revenues	553,843,036	1,228,821,038 *
		6,279,188,485	5,343,524,187
Less:			
(d)	Excise duty	438,597,446	405,663,107
	Total	5,840,591,040	4,937,861,080
* Other operating revenue includes VAT			

Note 18 Other income

	Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(a)	Interest income	20,602,174	10,018,291
(b)	Dividend income: from current investments others	53,535	22,710
(c)	Net gain/loss on sale of Asset	-311,307	162,560
(d)	Other non-operating income	3,733,293	3,292,008
	Total	24,077,695	13,495,569

Note 19.a Cost of materials consumed

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Opening stock	249,834,559	256,356,399
Add: Purchases	4,568,260,807	3,297,996,524
	4,818,095,366	3,554,352,923
Less: Closing stock	465,070,496	249,834,559
Cost of material consumed	**4,353,024,870**	**3,304,518,364**
Material consumed comprises:		
Steel		
Total	4,353,024,870	3,304,518,364

Note 19.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Inventories at the end of the year:		
Finished goods	70,614,971	41,317,539
Work-in-progress	289,200,712	52,590,886
	359,815,683	93,908,425
Inventories at the beginning of the year:		
Finished goods	41,317,539	28,930,240
Work-in-progress	52,590,886	-
	93,908,425	28,930,240
Net (increase) / decrease	-265,907,258	-64,978,185

Note 20 Employee benefits expense

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Salaries and wages	252,691,078	144,512,547
Contributions to provident and other funds	10,307,785	6,557,135
Contributions to Gratuity	5,603,562	2,592,042
Expense on employee stock option (ESOP) scheme	11,049,425	4,647,269
Employee Insurance	8,778,721	1,326,453
Staff welfare expenses	24,062,182	15,447,886
Leave Encashment	3,440,707	1,735,266
Total	315,933,461	176,818,598

Note 21 Finance costs

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(a) Interest expense on:		
(i) Borrowings	222,888,495	121,206,661
(ii) LC Charges	26,910,870	18,517,075
(iii) Others		
- Interest on delayed / deferred payment of taxes	11,952,939	4,279,542
- Others	2,509,488	3,640,254
(b) Other borrowing costs	3,315,510	3,570,032
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-1,689,547	13,566,467
(d) Bank Charges & Commission	18,676,120	18,446,916
Total	284,563,875	183,226,947

Note 22 Other expenses

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Labour Charges (Manufacturing cost)	338,784,162	267,479,329
Power and fuel (Manufacturing cost)	98,439,883	69,406,253
Transport & Octroi (Manufacturing cost)	109,441,090	56,644,167
Transport Outward (Manufacturing cost)	45,025,982	30,279,875
Testing & Inspection Charges (Manufacturing cost)	2,105,686	1,065,071
Water (Manufacturing cost)	2,933,000	2,816,314
Repairs and maintenance - Buildings	2,547,684	634,277
Repairs and maintenance - Machinery	15,220,972	5,360,411
Repairs and maintenance - Vehicles	2,477,307	2,185,129
Repairs and maintenance - Computer	1,499,813	802,071
Repairs and maintenance - Others	3,892,597	4,013,968
ERP & Software License Charges	2,545,568	508,269
Rent including lease rentals	930,758	563,118
Insurance	695,839	3,630,806
Insurance - Vehicles	301,163	246,711
Rates and taxes	3,785,414	2,771,211
Weighing Charges	569,810	292,176
Communication & Internet Charges	6,758,086	6,433,619
Travelling and conveyance	14,479,330	9,688,577
Foreign Travel Expenses	2,647,136	1,625,654

Warranty charges (TML)	3,498,765	557,810
Printing and stationery	4,633,777	2,906,418
Member & Subscription	181,136	180,115
Business promotion	1,061,944	1,555,946
Donations and contributions	11,000	100,000
Legal and professional fees	31,447,831	22,159,507
Directors Sitting Fees	1,255,000	1,025,000
Security Charges	10,039,627	8,759,113
Housekeeping Charges	5,862,316	3,661,573
Payments to auditors (See Sub-Note)	4,288,012	4,433,461
Preliminary & Miscellaneous Expenses written off	5,247,887	5,747,886
Sundry Balance writen off (Net)	261,542	731,271
Sales Tax & Duties	-	415,848,144
Prior period items (See Sub-Note)	82,421,133	439,157
Miscellaneous expenses	5,818,833	4,374,872
Total	811,110,084	938,927,279

Sub-note to Notes 22

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		₹	₹
(i)	Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - statutory audit	2,750,000	2,571,500
	As auditors - Internal audit	1,200,000	1,700,000
	Reimbursement of expenses	338,012	161,961
	Total	4,288,012	4,433,461
(ii)	Details of Prior period items (net)		
	Prior period expenses (Sales Tax Liability)	82,421,133	439,157
	Prior period income	-	-
	Total	82,421,133	439,157

Note 23.a Exceptional items

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Industrial Promotion Subsidy	203,864,014	-
Total	203,864,014	-

Note 23.b Extraordinary items

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Extraordinary Items	-	-
Total	-	-

Note 24 Disclosures under Accounting Standard - 12 (Accounting for Government Grants)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Details of government grants		
Government grants received by the Company during the year towards		
- Subsidies (recognised under Industrial Promotion Subsidy)	203,864,014	-
- Duty drawback (recognised under Other operating revenues)	169,034	-
	204,033,048	-

Note 25 Disclosures under Accounting Standard - 15 (Employee benefit plans)

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to Employee Provident Fund Organisation for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity - Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation of India.

ii. Other defined benefit plans - Medi Claim and Personal Accident Policy.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31 March, 2012		Year ended 31 March, 2011	
	Gratuity	Other defined benefit plans (Medi Claim)	Gratuity	Other defined benefit plans (Medi Claim)
Actual contribution To Benefit Plan for year				
Actual contributions	5,603,562	8,719,712	2,592,042	1,267,443

Note 26 Disclosures under Accounting Standards - 16 (Borrowing Cost)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year		
- as fixed assets - Tangible assets	10,725,328	-
- as fixed assets - Capital WIP	4,274,672	46,784,815
Total	**15,000,000**	**46,784,815**

Note 27 Disclosures under Accounting Standards - 17 (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.

Note 28 Disclosures under Accounting Standards - 18 (Related party transactions)

1. Details of related parties:

	Description of relationship	Names of related parties
1)	Subsidiaries	**Indian** i) Autoline Design Software Ltd. ii) Autoline Industrial Parks Ltd. **Foreign** i) Autoline Industries USA INC ii) Koderat Investments Ltd Cyprus iii) Autoline Stampings Ltd. Korea (subsidiary of Autoline Industries USA INC)
2)	Associates	**Indian** i) Nuvent Technologies Pvt. Ltd. **Foreign** i) DEP Autoline Inc USA
3)	Key Management Personnel (KMP)	
	Chairman Emeritus	Mr. Vilas Lande

Chairman (Non-executive Director)	Mr. Prakash B. Nimbalkar
Managing Director	Mr. Shivaji Akhade
Managing Director & CEO	Mr. M. Radhakrishnan
Wholetime Director	Mr. Sudhir Mungase
4) Relatives of KMP	-
5) Companies/Entities in which KMP / Relatives of KMP can exercise significant influence	i) Balaji Enterprises ii) Shreeja Enterprises iii) Sumeet Developers iv) Siddhai Platers Private Ltd. v) Om Sai Transport vi) Hotel Vishwa Vilas vii) Hotel Aishwarya Biryani House
Note: Related parties have been identified by the Management and relied upon by the Auditors.	

2. Details of related party transactions during the year ended 31 March, 2012:

Particulars	Subsidiaries	Entities in which KMP / relatives of KMP have significant influence	KMP	Total
Purchase of goods				
Current Year	11,408,144	44,457,599	-	55,865,743
Previous Year	-	29,320,507	-	29,320,507
Sale of goods				
Current Year	70,595,582	13,484,845	-	84,080,427
Previous Year	27,262,325	25,059,927	-	52,322,252
Transportation				
Current Year	-	12,131,574	-	12,131,574
Previous Year	-	11,277,893	-	11,277,893
Repair & Maintenance Charges				
Current Year	360,000	-	-	360,000
Previous Year	397,080	-	-	397,080
Rent Received				
Current Year	12	-	-	12
Previous Year	12	-	-	12
Interest Paid				
Current Year	-	-	-	-
Previous Year	11,177,945	-	-	11,177,945
Interest Received				
Current Year	4,016,292	-	-	4,016,292
Previous Year	-	-	-	-
Rendering of services				
Current Year	3,000,000	-	-	3,000,000
Previous Year	3,309,000	-	-	3,309,000
Receiving of services				
Current Year	10,704,776	333,773	1,800,000	12,838,549
Previous Year	10,948,540	177,086	1,985,400	13,111,026
Directors Remuneration				
Current Year	-	-	18,000,000	18,000,000
Previous Year	-	-	18,000,000	18,000,000
Commission				
Current Year	-	-	400,000	400,000
Previous Year	-	-	400,000	400,000
Director Sitting Fees				
Current Year	-	-	630,000	630,000
Previous Year	-	-	515,000	515,000

Note 29 Disclosures under Accounting Standards - 20 (Earning Per Share)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
1. Basic Earning Per Share		
Continuing operations		
Net profit / (loss) for the year from continuing operations	334,729,223	200,611,476
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	**334,729,223**	**200,611,476**
Weighted average number of equity shares	**12,204,969**	**12,204,969**
Par value per share	10	10
Earnings per share from continuing operations - Basic	27.43	16.44
2. Diluted Earning Per Share		
Continuing operations		
Net profit / (loss) for the year from continuing operations	334,729,223	200,611,476
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	334,729,223	200,611,476
Add: Interest expense and exchange fluctuation on convertible bonds(net)	-	-
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	**334,729,223**	**200,611,476**
Weighted average number of equity shares for Basic EPS	12,204,969	12,204,969
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	**12,204,969**	**12,204,969**
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	27.43	16.44

Note 30 Disclosures under Accounting Standards - 22 (Deferred Tax Asset/Liability)

Particulars	As at 31 March, 2012	As at 31 31 March, 2011
Deferred Tax Liability :		
Opening Balance :	85,565,829	64,891,500
Add: Transferred from Merged Entities	-	8,320,829
Add: Current Year Provision	30,250,000	12,353,500
Closing Balance	**115,815,829**	**85,565,829**
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		
Deferred Tax Liabilities	117,883,677	86,438,529
Deferred Tax Asset	2,067,848	872,700
Deferred Tax Liabilities (Net)	**115,815,829**	**85,565,829**
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	86,438,529	68,813,700
Add: Transferred from Merged Entities	-	8,320,829
Add: Current Year Provision	31,445,148	9,304,000
Total	**117,883,677**	**86,438,529**
Deferred Tax Assets :		
Tax impact of expenses allowable as deduction in future years under Income Tax :	872,700	3,922,200
Less: Transferred to share premium a/c	-	-3,049,500
Add: Current Year Provision	1,195,148	-
Closing Balance	**2,067,848**	**872,700**

The deferred tax liability (Net) for the year under consideration amounting to ₹ 3,02,50,000/- has been recoginzed in Profit and Loss Account. The Provision for Deferred Tax Liability for the current year of ₹ 3,02,50,000/- is provided on the timing difference of the expenditure, depreciation and write offs.

Note 31 Disclosures on Employee share based payments - (Guidelines notes issued by ICAI)

a) In the extraordinary general meeting held on 27th Sept, 2008, the shareholders approved the issue of 8,50,000 options under the Scheme titled "Autoline ESOS 2008" (ESOP A).

The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option shall not be less than 85 per cent of the "Market Price" as defined in the Scheme. The options granted vest over a period of 6 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 5 years from the date of vesting.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

b) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	During the year ended 31 March, 2012		During the year ended 31 March, 2011	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year :				
- ESOP A	170691	25	Nil	-
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Granted during the year:				
- ESOP A	Nil	-	175000	25
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Vested during the year:				
- ESOP A	Nil	-	Nil	-
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Exercised during the year:				
- ESOP A	Nil	-	Nil	-
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Lapsed during the year:				
- ESOP A	7151	25	4309	25
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Options outstanding at the end of the year:				
- ESOP A	163540	25	170691	25
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Options available for grant:				
- ESOP A	686460	25	679309	25
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-

c) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	31 March, 2012	31 March, 2011
Risk Free Interest Rate	7.00%	7.00%
Expected Life	Average life taken as 1 year from date of Grant (Vest)	Average life taken as 1 year from date of Grant (Vest)
Expected Annual Volatility of Shares	45%	45%
Expected Dividend Yield	Not separately included, factored in volatility working	Not separately included, factored in volatility working

Note 32 Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note 33 Additional information to the financial statements

1. Contingent liabilities and commitments

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
- Income Tax Department For Assessment Year 08-09	29,296,660	34,296,660
- Sales Tax Duties For Assessment Year 01-02 & 02-03	23,500,000	-
(d) Corporate Guarantees on behalf of Autoline Industries Indiana LLC, USA (wholly owned subsidiary of Autoline Industries USA, Inc)		
- In Favour of Tower Bank Trust Company	$6,150,000	$6,150,000
- In Favour of Mill Steel Co.	-	$1,000,000
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	100,000,000	800,000,000
Intangible assets	-	-

2. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,404,214	4,394,198
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	867,206	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	867,206	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	867,206	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	97,461	-

Note :- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

3. Value of imports calculated on CIF basis

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Raw materials & Component	36,637,671	3,360,981
Capital goods	60,357,339	7,170,584

4. Expenditure in foreign currency

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Foreign Travel	605,754	668,408
Professional and consultation fees	4,365,107	5,867,202
Testing Charges	41,650	-
Repayment of Loan	122,105,128	136,209,150
Interest - Bank	4,910,042	54,755,009

5. Amounts remitted in foreign currency during the year on account of dividend

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Amount of dividend remitted in foreign currency (₹)	1,032,837	1,041,714
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	7	6
Total nos.of shares held by them on which dividend was due	344,279	520,857
Year to which the dividend relates	2010-11	2009-10

6. Details of consumption of imported and indigenous items

Particulars	For the year ended	
	₹	%
Imported		
Raw materials & Component		
Current Year	36,637,671	0.84%
(Previous Year)	3,360,981	0.10%
Total Current Year	36,637,671	0.84%
(Total Previous Year)	3,360,981	0.10%
Indigenous		
Raw materials & Component		
Current Year	4,316,387,199	99.16%
(Previous Year)	3,301,157,383	99.90%
Total Current Year	4,316,387,199	99.16
(Total Previous Year)	3,301,157,383	99.90%

7. Earnings in foreign exchange

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
i) Export of goods calculated on FOB basis	71,821,230	36,634,834
ii) Amounts received in foreign currency during the year	53,650,403	25,835,783

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 28th APRIL, 2012

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2012.

34 SIGNIFICANT ACCOUNTING POLICIES

34.1 Basis of accounting and preparation of financial statements:

The financial statements have been prepared on historical cost convention and as a going concern and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the 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 NA refer Note -4 , (point No 7.)

Estimates and Assumptions used in the preparation of financial statements are based upon the management's evaluation of relevant fact and the circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

34.2 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 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.

34.3 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

34.4 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

34.5 Events occurring after the date of Balance Sheet:

Material events occurring after the date of Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

34.6 Prior Period Items and Changes in Accounting Policies:

There is no change in the Accounting Policies, except in case of presentation of inventory Tools & Dies for sale which were previously shown under capital WIP now the same are routed through statement of Profit & Loss Account, which are being consistently applied by the company. No Prior Period items have materially affected this year's financial statements. Figures of previous year have been regrouped, rearranged and stated in line with the current year's presentation.

34.7 Depreciation:

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. Intangible assets are written off over the period of 5 years & Research & development is written off over 10 years. 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.

34.8 Revenue recognition:

Sales are accounted on net of tax 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.

Interest Income is recognised on accrual basis.

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

34.9 Fixed Asset:

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 gain / loss on loan taken, which is directly attributable to construction or acquisition of Fixed Assets is also capitalized.

34.10 Research & Development :

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 not exceeding ten years.

34.11 Foreign currency transactions and translations:

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.

34.12 Government grants, subsidies and export incentives:

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. The same is treated as revenue/ capital as per the scheme framed by the Government and the same is routed through statement of Profit & Loss account.

34.13 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.

34.14 Employee benefits Costs:

Contribution to Provident Fund are accrued in accordance with applicable statues 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. The liability in respect of Bonus and for Leave Encashment is provided on actual basis.

34.15 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.

34.16 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.

34.17 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

34.18 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.

Current and deferred tax relating to items directly recognised in equity is recognised in equity and not in the Statement of Profit and Loss Account.

34.19 Deferred Tax- Asset/ Liability :

The Accounting Standard 22 "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.

34.20 Miscellaneous Expenditure :

Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.

34.21 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.

34.22 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.

34.23 Provisions and contingencies:

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.

34.24 Capital work in Progress :

The Expenditure which are of Capital nature and the assets for which it is incurred which has not come into existence/put to use during the year is shown under this head.

34.25 Tools & Dies :

Tools & Dies designed/ manufactured in house have been capitalised considering direct cost of the material, wages paid to tool room employees, and other incidental expenses and proportionate overheads including borrowing cost related thereto.

34.26 Set-off of Borrowings from Bank against pledged fixed Deposits:

The company is having loans from banks against pledge of fixed deposits. In such cases the same loans are set off against such fixed deposits and the balance is shown as FDR with respective bank. The interest on loan and interest due on Fixed deposit is accounted as per the amount credited/ debited by the Bank.

CONSOLIDATED FINANCIAL STATEMENT
AUDITORS' REPORT

To,

The Board of Directors,

AUTOLINE INDUSTRIES LIMITED

Pune.

- We have examined the attached consolidated Balance Sheet of Autoline Industries Limited ('the Company') and its subsidiaries ("the Group") as at 31st March 2012, and also the consolidated Statement of 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 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.

- 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, 2012 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	5829.44	17,005.28
Koderat Investments Limited	3291.00	(53.54)

- 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.

- 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.

- *Without qualifying our opinion we draw attention to –*

  Foot Note of Note 9 "Non-Current Investment" of Financial Statement 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.

- 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.

  - In case of consolidated Balance Sheet of the consolidated state of affairs of the company and its subsidiaries as on **31st March, 2012.**

- In case of consolidated Statement of Profit & Loss Account of the consolidated results of the company and its subsidiaries for year ended on that date.
- 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 : 28TH APRIL, 2012

VIJAY B SHETH
PARTNER.
MEM. NO. 037634

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No.	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	122,049,690	122,049,690
(b) Reserves and surplus	2	2,481,869,334	2,338,078,040
(c) Minority Interest		377,275,675	431,407,800
(d)Capital reserve On Consolidation		67,359,318	-
		3,048,554,017	2,891,535,530
2 Non-current liabilities			
(a) Long-term borrowings	3	1,004,841,833	1,189,842,277
(b) Deferred tax liabilities (net)		115,815,829	88,439,640
		1,120,657,662	1,278,281,917
3 Current liabilities			
(a) Short-term borrowings	4	1,449,694,441	1,086,052,866
(b) Trade payables	5	956,585,441	711,888,068
(c) Other current liabilities	6	89,060,675	44,164,924
(d) Short-term provisions	7	140,327,219	102,480,930
		2,635,667,776	1,944,586,787
TOTAL		6,804,879,456	6,114,404,234
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8.A	2,718,503,478	2,505,170,527
(ii) Intangible assets	8.A	148,215,469	248,538,140
(iii) Goodwill on Consolidation		-	423,988,500
(iv) Capital work-in-progress		147,985,198	413,073,975
		3,014,704,145	3,590,771,142
(b) Non-current investments	9	655,387,558	247,329,302
(c) Long-term loans and advances	10	88,885,245	1,271,582
(d) Other non-current assets	11	30,226,668	35,143,008
		3,789,203,616	3,874,515,034
2 Current assets			
(a) Inventories	12	1,728,254,993	1,215,432,936
(b) Trade receivables	13	606,816,320	611,119,838
(c) Cash and cash equivalents	14	112,133,533	146,022,312
(d) Short-term loans and advances	15	229,519,076	187,531,147
(e) Other current assets	16	338,951,917	79,782,968
		3,015,675,840	2,239,889,201
TOTAL		6,804,879,456	6,114,404,234

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 28th APRIL, 2012

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2012

	Particulars	Note No.	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
A	**CONTINUING OPERATIONS**			
1	Revenue from operations (gross)	17	7,922,125,591	6,972,815,969
	Less: Excise duty	17	438,597,446	405,663,107
	Revenue from operations (net)		7,483,528,146	6,567,152,862
2	Other income	18	20,921,121	28,727,252
3	**Total revenue (1+2)**		7,504,449,267	6,595,880,114
4	**Expenses**			
	(a) Cost of materials consumed	19.a	5,314,590,222	4,290,662,918
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.b	(236,448,183)	(67,718,903)
	(c) Employee benefits expense	20	599,555,476	467,653,087
	(d) Finance costs	21	305,823,582	199,175,053
	(e) Depreciation and amortisation expense	8.B	210,517,888	186,638,663
	(f) Other expenses	22	1,044,237,420	1,164,262,822
	Total expenses		7,238,276,405	6,240,673,640
5	**Profit / (Loss) before exceptional and extraordinary items and tax**		266,172,861	355,206,474
6	Exceptional items	23.a	203,864,014	-
7	**Profit / (Loss) before extraordinary items and tax (5 + 6)**		470,036,875	355,206,474
8	Extraordinary items	23.b	-	-
9	**Profit / (Loss) before tax (7 + 8)**		470,036,875	355,206,474
10	**Tax expense:**			
	(a) Current tax expense for current year		104,736,254	62,647,063
	(b) (Less): MAT credit (where applicable)		(61,887,525)	-
	(c) Current tax expense relating to prior years		2,048,692	1,195,493
	(d) Net current tax expense		44,897,421	63,842,556
	(e) Deferred tax		30,250,000	9,304,000
			75,147,421	73,146,556
11	**Profit / (Loss) from continuing operations (9 +10)**		394,889,454	282,059,918
B	**DISCONTINUING OPERATIONS**			
12.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii	Add / (Less): Tax expense of discontinuing operations		-	-
	(a) on ordinary activities attributable to the discontinuing operations		-	-
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
			-	-
13	**Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)**		-	-
C	**TOTAL OPERATIONS (A+B)**		394,889,454	282,059,918
	Deducting Minority interest		(1,860,693)	8,665,410
14	**Profit / (Loss) for the year**		396,750,147	273,394,508
15	**Earnings per share (of ₹ 10/- each):**			
	(a) Basic for Continuing Operation	30	32.51	22.40
	(b) Diluted for Continuing Operation	30	32.51	22.40

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 28th APRIL, 2012

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

Cash Flow Statement for the year ended 31st March, 2012 (Consolidated)

Particulars	31-Mar-12 ₹	31-Mar-11 ₹
A. Cash Flow from Operating Activities		
Net Profit after Tax	396,750,147	273,394,508
Adjustment for :		
Depreciation	210,517,888	186,638,663
Depreciation on Assets Deducted	-	(38,118,992)
Employee Stock Option	11,049,425	4,647,269
Amortisation of Miscellaneous Expenditure	5,247,887	6,473,486
Deferred Tax Liability (Net)	27,376,189	12,369,701
Operating Profit before Working Capital Changes	650,941,536	445,404,635
Adjustment for :		
Trade Receivable and Other Current Asset	(302,101,247)	32,108,701
Inventories	(512,822,057)	(75,486,476)
Trade Payables and Other Current Liabilities	327,439,414	(149,305,101)
Minority Interest	(54,132,125)	8,665,410
Increase in Misc. Expenses	-	17,274,064
Exchange Difference on Consolidatation	(67,571,095)	-
Capital Reserve on consolidation	491,347,818	-
Goodwill on consolidation	-	(1,124,895)
Cash Generated from Operations	533,102,244	277,536,338
Net Cash from Operating Activities	533,102,244	277,536,338
B. Cash Flow from Investing Activities		
Acquisition of Fixed Assets (Net)	(58,824,095)	(647,908,083)
Investments	(408,058,256)	(3,468,622)
Extra-ordinary Item*	(139,312,799)	-
Long-term loans and advances	(87,613,663)	-
Other non-current assets	4,916,340	-
Net Cash from Investing Activities	(688,892,473)	(651,376,705)
C. Cash Flow from Financing Activities		
Proceeds from Borrowings (Net)	178,641,131	463,516,486
Dividend	(56,739,680)	(42,696,185)
Equity Capital & Share Premium	-	25,000,000
Net Cash from Financing Activities	121,901,451	445,820,301
Net Increase / Decrease in Cash & Cash Equivalent	(33,888,778)	71,979,934
Cash & Cash equivalent as at 01.04.2011	146,022,312	74,042,378
Cash & Cash equivalent as at 31.03.2012	112,133,533	146,022,312
Net Increase / Decrease in Cash & Cash Equivalent	(33,888,778)	71,979,934

*Note:- Exclude Opening Profit and Loss accounts balances of erstwhile subsidary.

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 28th APRIL, 2012

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

Notes Forming Part of the financial statements (Consolidated)

Note 1 Share Capital

Particulars	As at 31 March, 2012		As at 31March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹10 each with voting rights	29,500,000	295,000,000	29,500,000	295,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights	12,204,969	122,049,690	12,204,969	122,049,690
Total	**12,204,969**	**122,049,690**	**12,204,969**	**122,049,690**

Sub-Note to Note 1 :-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights							
Year ended 31 March, 2012							
- Number of shares	12,204,969	-	-	-	-	-	12,204,969
- Amount	122,049,690	-	-	-	-	-	122,049,690
Year ended 31 March, 2011							
- Number of shares	12,204,969	-	-	-	-	-	12,204,969
- Amount	122,049,690	-	-	-	-	-	122,049,690

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Linc Wise Software Private Limited	1,000,000	8.19%	1,000,000	8.19%
Mrs. Rekha Rakesh Jhunjhunwala	731,233	5.99%	731,233	5.99%
Mrs. Rema Radhakrishnan	664,717	5.45%	622,217	5.10%
Mr. Shivaji Tukaram Akhade	633,681	5.18%		
Religare Finvest Limited	610,550	5.00%		
Total	**3,640,181**	**29.81%**	**2,353,450**	**19.28%**

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2012	As at 31 March, 2011
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	588,125	588,125
Fully paid up by way of bonus shares	2,004,728	2,004,728
Total	**2,592,853.00**	**2,592,853.00**

Note 2 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Capital reserve		
Opening balance	-	27,000,000
Less: Utilised for Merger	-	27,000,000
Closing balance	-	-

(b) Securities premium account		
Opening balance	1,403,657,480	1,413,950,176
Less : Utilised during the year for:		
Merger	-	7,243,196
Deferred Tax Asset of Share IPO Expenses	-	3,049,500
Closing balance	1,403,657,480	1,403,657,480
(c) Revaluation reserve		
Opening balance	10,598,254	10,982,958
Less: Utilised for set off against depreciation of Revalued Asset	384,704	384,704
Closing balance	10,213,550	10,598,254
(d) Share options outstanding account		
Employee Stock Options Outstanding Account	39,441,888	41,028,750
Less : Deferred Employee Compensation Account	23,745,194	36,381,481
Net Balance	15,696,694	4,647,269
(e) General reserve		
Opening balance	86,727,655	65,200,000
Add: Transferred from Merged Entities	-	527,655
Add: Transferred from surplus in Statement of Profit and Loss	33,500,000	21,000,000
Closing balance	120,227,655	86,727,655
(f) Exchange Difference on Consolidatation	10,244,103	77,815,198
(g) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	615,319,385	544,933,861
Add: Profit / (Loss) for the year	396,750,147	273,394,508
Less: Interim dividend		
Dividend proposed to be distributed to equity shareholders (₹ 4 per share)	48,819,876	36,614,906
Tax on dividend	7,919,804	6,081,279
Transferred to:		
- General reserve	33,500,000	21,000,000
Closing balance	921,829,852	754,632,184
Total	2,481,869,334	2,338,078,040

* Note:- Exclude Opening Profit and Loss accounts balances of erstwhile subsidary

Note 3 Long-term borrowings

Particulars	**As at 31 March, 2012 ₹**	**As at 31 March, 2011 ₹**
(a) Term loans		
From banks		
Secured	974,461,026	1,124,803,799
Unsecured	-	20,000,000
	974,461,026	1,144,803,799
From other parties	-	21,939,913
(b) Deferred payment liabilities		
Secured	-	-
Unsecured	15,204,028	22,892,286
	15,204,028	22,892,286
(c) Deposits		
Secured		-
Unsecured	15,176,779	206,279
	15,176,779	206,279
Total	**1,004,841,833**	**1,189,842,277**

Sub-note to Note 3

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Secured	Unsecured	Secured	Unsecured
Term loans from banks:				
Bank of Baroda Term Loan	130,446,214	-	134,904,825	-
Axis Bank Ltd Term Loan-1	300,542,349	-	353,291,074	-
Axis Bank Ltd Term Loan-2	109,954,442	-	23,489,940	-
NKGSB Co-op. Bank Ltd.Term Loans	37,124,097	-	49,799,552	-
Vidya Sahakari Bank Ltd Term Loan	8,742,389	-	8,374,346	-
The Catholic Syrian Bank Ltd Term Loan-1	202,538,068	-	271,009,952	-
The Catholic Syrian Bank Ltd Term Loan-2	65,751,532	-	13,773,608	-
HDFC Auto Loan Bharat Loan(Honda CivicV)	343,734	-	672,712	-
HDFC Auto Premium Loan-Toyota Fortuner	642,761	-	1,122,323	-
Bank of Baroda Vehicle Loan	1,159,761	-	-	-
Cosmos Bank Vehicle Loan (Indigo CS)	54,743	-	137,005	-
Tower Bank & Trust Co. - Loan	65,702,486	-	158,434,142	-
Tower Bank & Trust Co. - Tooling loan (Butler)	50,904,151	-	32,809,725	-
Tower Bank & Trust Co. Loan	554,299	-	66,600,550	-
HDFC Nuvent	-	-	10,384,045	-
Bahar Merchants Pvt. Ltd.	-	-	-	20,000,000
	974,461,026	-	1,124,803,799	20,000,000
Deferred payment liabilities:				
Deferred sales tax liability	-	15,204,028	-	22,892,286
Total - Deferred payment liabilities	-	15,204,028	-	22,892,286

Term of Repayment & Security for Secured Loan.

1. Bank of Baroda's loans are secured by First Charge on Fixed assets of the Company situated at Plot Nos. 6 & 8, Uttarakhand and Second Charge on Fixed assets of the Company situated at Survey No.313/314, Nanekarwadi, Chakan. Loan is repayable in 69 monthly installment of ₹ 28.60 Lacs and 1 monthly installment of ₹ 26.60 Lacs.
2. Axis Bank Ltd.'s loans are secured by charge on all Fixed assets of the Company except situated at Plot no.5, 6 & 8, Uttarakhand and Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 and Survey No.313/314, Nanekarwadi, Chakan. Term Loan - I is repayable in 13 quarterly installment of ₹ 2 Crores, next 3 quarterly installment of ₹ 5 Crores and 1 installment of ₹ 4 Crores. Term Loan - II is repayable in 8 quarterly installment of ₹ 1.875 Crores each.
3. Vehicle Loans have been secured by hypothecation of Vehicles.
4. The term loan from NKGSB Co-op. Bank Ltd. & Vidya Sahakari Bank Ltd.has been secured by charge on Fixed assets of the Company at Plot No E-12 (17) (8), M.I.D.C. Bhosari, Pune-411026 & Plot No 5, Uttarakhand. Loan is repayable 60 monthly installment of ₹ 22.65 Lacs (including Interest) & 48 monthly installment of ₹10.79 Lacs each.
5. The Catholic Syrian Bank Ltd.'s loans are secured by First Charge on Fixed assets of the Company situated at Survey No.313/314, Nanekarwadi, Chakan and Second Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand. Term Loan - I is repayable in 57 monthly installment of ₹ 61.41 Lacs each and Term Loan - II is repayable in 60 monthly installment of ₹ 16.67 Lacs each
6. Tower Bank & Trust Company loans are secured by mortgage on the real estate known as 100 Commerce Street, Butler, Indiana USA. Loan is repayable in 60 monthly installment of $33,037.46 each.

Note 4 Short-term borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Loans repayable on demand		
From banks		
Secured	1,224,374,578	818,729,183
Unsecured	220,000,000	263,616,653
	1,444,374,578	1,082,345,836
(b) Loans from other Parties	-	-
(c) Deposits		
Secured	-	-
Unsecured	-	-
	-	-
(d) Defered Payment Liability		
Secured	-	-
Unsecured	5,319,863	3,707,030
	5,319,863	3,707,030
Total	1,449,694,441	1,086,052,866

Sub-notes to Note 4:

(i) Details of security for the secured short-term borrowings:

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Loans repayable on demand		
from banks:		
Bank of Baroda Term Loan	34,327,951	28,105,172
Bank of Baroda O/D Acc. against FDR	-	45,509,140
Axis Bank Ltd Term Loan-1	114,274,657	97,325,365
Axis Bank Ltd Term Loan-2	41,807,773	6,471,058
The Catholic Syrian Bank Ltd Term Loan-1	70,570,755	70,028,411
The Catholic Syrian Bank Ltd Term Loan-2	22,909,941	3,559,072
HDFC Auto Loan Bharat Loan (Honda Civic V)	182,837	233,580
HDFC Auto Premium Loan-Toyota Fortuner	341,894	389,695
Bank of Baroda Vehicle Loan	799,836	-
Tata Capital Ltd. Loan	-	28,424
NKGSB Co-op. Bank Ltd.Term Loans	36,530,192	30,855,880
Vidya Sahakari Bank Ltd Term Loan	8,330,983	5,024,607
Cosmos Bank Vehicle Loan (Indigo CS)	52,166	82,203
Vidya Sahakari Bank Ltd CC A/c	-	2,529,871
Bank of Baroda CC A/c	575,874,296	338,849,891
The Catholic Syrian Bank Ltd. CC A/c	252,691,726	149,163,717
NKGSB Co-op. Bank CC A/c	36,527,911	32,299,719
HDFC Bank -Vehicle Loan(UKD)	-	82,743
Tower Bank & Trust Co. - Loan	16,425,621	
Tower Bank & Trust Co. - Tooling loan (Butler)	12,726,038	-
Lasalle Bank (FC CC)	-	81,090,634
Total - from banks	1,224,374,576	818,729,183
Deferred payment liabilities:		
Deferred sales tax liability	5,319,863	3,707,030
Total - Deferred payment liabilities	5,319,863	3,707,030

Term of Repayment & Security for Secured Loan.

1. Bank of Baroda's loans are secured by First Charge on Fixed assets of the Company situated at Plot nos. 6 & 8, Uttarakhand and Second Charge on Fixed assets of the Company situated at Survey No.313/314, Nanekarwadi, Chakan. Loan is repayable in 69 monthly installment of ₹ 28.60 Lacs and 1 monthly installment of ₹ 26.60 Lacs.
2. Axis Bank Ltd.'s loans are secured by charge on all Fixed assets of the Company except situated at Plot Nos.5, 6 & 8, Uttarakhand and Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 and Survey no.313,314, Nanekarwadi, Chakan. Term Loan - I is repayable in 13 quarterly installment of ₹ 2 Crores, next 3 quarterly installment of ₹ 5 Crores and 1 installment of ₹ 4 Crores. Term Loan - II is repayable in 8 quarterly installment of ₹ 1.875 Crores each.
3. Vehicle Loans have been secured by hypothecation of Vehicles.
4. The term loan from NKGSB Co-op. Bank Ltd. & Vidya Sahakari Bank Ltd.has been secured by charge on Fixed assets of the Company at Plot No E-12 (17) (8), M.I.D.C. Bhosari, Pune-411026 & Plot No 5, Uttarakhand. Loan is repayable in 60 monthly installment of ₹ 22.65 Lacs (including Interest) 48 monthly installment of ₹ 10.79 Lacs each.
5. The Catholic Syrian Bank Ltd.'s loans are secured by First Charge on Fixed assets of the Company situated at Survey No.313/314, Nanekarwadi, Chakan and Second Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand. Term Loan - I is repayable in 57 monthly installment of ₹ 61.41 Lacs each and Term Loan - II is repayable in 60 monthly installment of ₹ 16.67 Lacs each.
6. The working capital loan from the above banks have been secured by hypothication of current assets of the company.
7. 'During the last year, the company has created and pledged fixed deposits with CITI Bank NA of the amount which together with interest on fixed deposit will take care of installments of ECB loan from Citi Bank NA and amount due along with interest. The last installment is due on 11th Oct 2012. During the year, same accounting policy is followed. The total balance of loan amount outstanding as on 31st March, 2012 of ₹9,27,47,365/- which has been reduced from the amount of fixed deposits with Bank. The interest on ECB loan and interest due on Fixed deposit is accounted as per the amount credited/ debited by the Bank.

   Same treatment is also made with Bank of Baroda Overdraft account against FDR. The total balance of loan amount outstanding as on 31st March, 2012 of ₹5,15,74,319/- which has been reduced from the amount of fixed deposits with Bank. The interest on overdraft account and interest due on Fixed deposit is accounted as per the amount credited/ debited by the Bank.
8. Tower Bank & Trust Company loans are secured by mortgage on the real estate known as 100 Commerce Street, Butler, Indiana USA. Loan is repayable in 60 monthly installment of $33,037.46 each.

Note 5 Trade payables

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Trade payables:		
Other than acceptances	950,181,227	707,493,870
MSM Enterprises	6,404,214	4,394,198
Total	**956,585,441**	**711,888,068**

Note 6 Other current liabilities

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Unpaid dividends	677,082	507,196
(b) Other payables		
(i) Statutory remittances:-		
VAT/CST Payable	56,225,536	19,606,780
Service Tax Payable	634,592	1,779,407
TDS Payable	3,975,303	9,597,812
PF & ESIC Payable	3,563,528	3,485,858
Professional Tax Payable	560,100	418,520
Property Tax Payable	193,831	-
(ii) Payables on purchase of fixed assets	22,271,024	(16,374,279)
(iii) Interest on MSM Enterprises	867,206	-
(iv) Employee's Loan Repayment	92,473	143,630
(v) Share Application money (Refundable)	-	25,000,000
Total	**89,060,675**	**44,164,924**

Note 7 Short-term provisions

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Provision for employee benefits		
(i) Provision for bonus	7,853,505	5,502,327
(ii) Provision for Salary	23,767,989	14,073,053
(iii) Provision for Leave Encashment	5,942,135	2,927,789
(iv) Provision for Staff Welfare Expenses	460,914	-
	38,024,543	22,503,169
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)	26,219,765	-
(ii) Provision for Electricity Expenses	2,465,393	1,515,005
(iii) Provision for Bills Not Booked	1,084,762	26,582,878
(iv) Provision for Expenses	14,445,804	6,418,043
(v) Provision for Professional Fees	1,084,788	1,376,033
(vi) Provision for Telephone, Internet & Postage	212,484	75,617
(vii) Provision for Rent	30,000	-
(viii) Provision for Proposed Dividend	48,819,876	36,614,906
(x) Provision for Tax on Proposed Dividend	7,919,804	6,081,279
(ix)Provision for Director Sitting Fees	20,000	-
(xi) Provision for Land Purchase	-	1,314,000
	102,302,676	79,977,761
Total	**140,327,219**	**102,480,930**

Notes Forming Part of Balance Sheet as at 31st March 2012

NOTE NO. 8 A : FIXED ASSETS :

Sr No	TANGIBLE ASSET	GROSS BLOCK AS ON 01.04.2011	ADDITIONS	TRANSFERS	DEDUCTIONS	EXCHANGE RATE FLUC-TUATION	AS ON 31.03.2012	DEPRECIATION AS ON 01.04.2011	FOR THE YEAR	TRANSFERS	DEDUCTIONS	EXCHANGE RATE FLUC-TUATION	AS ON 31.03.2012	NET BLOCK AS ON 31.03.2012	AS ON 31.03.2011
1	LAND & DEVELOPMENT	123,939,980	-	-	-	-	123,939,980	1,530,512	-	-	-	-	1,530,512	122,409,468	122,409,468
2	BUILDING	824,340,953	86,379,716	-	-	-	910,720,669	84,339,601	28,566,631	-	-	-	112,906,232	797,814,437	740,001,352
3	PLANT & MACHINERY	1,295,834,622	83,013,927	-	-	-	1,378,848,549	191,915,582	62,759,309	-	-	-	254,674,891	1,124,173,658	1,103,919,040
4	TOOLS AND DIES	438,891,130	106,238,972	-	-	-	545,130,102	109,458,453	51,656,184	-	-	-	161,114,637	384,015,465	329,432,677
5	COMPUTERS AND SOFTWARES	95,645,583	10,851,186	-	-	-	106,496,769	54,593,112	14,609,485	-	-	-	69,202,597	37,294,172	41,052,471
6	ELECTRICAL FITTINGS	97,907,524	10,475,946	-	-	-	108,383,470	22,353,526	6,340,850	-	-	-	28,694,376	79,689,094	75,553,998
7	FURNITURE	22,384,973	1,664,491	-	-	-	24,049,464	6,424,435	1,463,652	-	-	-	7,888,087	16,161,377	15,960,538
8	VEHICLES	27,769,149	720,000	-	1,325,000	-	27,164,149	10,116,159	2,706,469	-	706,749	-	12,115,879	15,048,270	17,652,990
9	OFFICE EQUIPMENTS	11,439,270	658,992	-	-	-	12,098,262	3,155,278	569,862	-	-	-	3,725,140	8,373,123	8,283,992
10	MATERIAL HANDLING EQUIPMENTS	1,098,413	-	-	-	-	1,098,413	109,040	52,175	-	-	-	161,215	937,198	989,373
11	SITE DEVELOPMENT	212,951	-	-	-	-	212,951	146,234	7,113	-	-	-	153,347	59,604	66,717
12	AUTOLINE IND. USA	128,187,475	17,026,467	-	-	26,497,290	171,711,232	20,829,053	10,002,115	-	-	8,352,451	39,183,619	132,527,613	107,358,422
	TOTAL	3,067,652,023	317,029,696	-	1,325,000	26,497,290	3,409,854,010	504,970,985	178,733,845	-	706,749	8,352,451	691,350,532	2,718,503,478	2,562,681,038

Sr No	INTANGIBLE ASSET	GROSS BLOCK AS ON 01.04.2011	ADDITIONS	TRANSFERS	DEDUCTIONS	EXCHANGE RATE FLUC-TUATION	AS ON 31.03.2012	DEPRECIATION AS ON 01.04.2011	FOR THE YEAR	TRANSFERS	DEDUCTIONS	EXCHANGE RATE FLUC-TUATION	AS ON 31.03.2012	NET BLOCK AS ON 31.03.2012	AS ON 31.03.2011
1	R & D PROCESS DEVELOPMENT	208,617,638	-	-	-	-	208,617,638	56,398,266	22,507,340	-	-	-	78,905,606	129,712,032	152,219,372
2	INTANGIBLE ASSETS	39,900,000	-	-	-	-	39,900,000	13,416,563	7,980,000	-	-	-	21,396,563	18,503,437	26,483,437
3	TRADE MARK	20,500	-	-	-	-	20,500	20,500	-	-	-	-	20,500	-	-
	TOTAL	248,538,138	-	-	-	-	248,538,138	69,835,329	30,487,340	-	-	-	100,322,669	148,215,469	178,702,809

Sr No	WORK IN PROGRESS	GROSS BLOCK AS ON 01.04.2011	ADDITIONS	TRANSFERS	DEDUCTIONS	EXCHANGE RATE FLUC-TUATION	AS ON 31.03.2012	DEPRECIATION AS ON 01.04.2011	FOR THE YEAR	TRANSFERS	DEDUCTIONS	EXCHANGE RATE FLUC-TUATION	AS ON 31.03.2012	NET BLOCK AS ON 31.03.2012	AS ON 31.03.2011
1	CAPITAL WIP	314,398,945	89,679,744	256,093,491	-	-	147,985,198	-	-	-	-	-	-	147,985,198	314,398,945
	TOTAL	314,398,945	89,679,744	256,093,491	-	-	147,985,198	-	-	-	-	-	-	147,985,198	314,398,945

NOTE 8 B - DEPRECIATION AND AMORTISATION RELATING TO CONTINUING OPERATIONS:

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Depreciation for the year on tangible assets as per Note 8 A	178,733,845	159,079,561
Depreciation for the year on intangible assets as per Note 8 A	30,487,340	27,943,805
Less: Utilised from revaluation reserve	384,704	384,704
Add: Amortisation Expenses	1,681,407	-
Depreciation and amortisation relating to continuing operations	**210,517,888**	**186,638,662**

Note 9 Non-current investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted ₹	Unquoted ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
Investments (At cost):						
A. Trade						
(a) Investment in SZ Design SRL *	-	328,622,923	328,622,923	-	245,490,776	245,490,776
- DEP Autoline LLC., USA 30,600 (As at 31 March, 2011: 30,600) stock/shares of $ 1 each fully paid	-	324,362,719	324,362,719	-	-	-
- Nuvent Technologies Pvt. Ltd 25,500 (As at 31 March, 2011: 25,500) shares of ₹ 10 each fully paid	-	255,000	255,000	-	-	-
Total A	-	653,240,642	653,240,642	-	245,490,776	245,490,776
B. Other investments						
(a) Investment in equity instruments						
(i) Other Entities						
- Rupee Co -Op Bank Ltd. 35142 (As at 31 March, 2011: 35142) shares of ₹ 25 each fully paid	-	878,550	878,550	-	878,550	878,550
- Cosmos Bank Equity Shares 1328 (As at 31 March, 2011: 1328) shares of ₹ 100 each fully paid	-	132,800	132,800	-	132,800	132,800
- NKGSB Bank Equity Shares 49950 (As at 31 March, 2011: 20000) shares of ₹ 10 each fully paid	-	499,500	499,500	-	200,000	200,000
- Vidya Bank Equity Shares 5005 (As at 31 March, 2011: 5005) shares of ₹ 100 each fully paid	-	500,500	500,500	-	500,500	500,500
- Saraswat Bank Equity Shares 1000 (As at 31 March, 2011: 1000) shares of ₹ 10 each fully paid	-	10,000	10,000	-	10,000	10,000
(b) Investment in Mutual Fund						
SBI mutual Fund	-	109,103	109,103	-	102,119	102,119
KMB TATA Mutual Fund	-	16,463	16,463	-	14,557	14,557
Total B	-	2,146,916	2,146,916	-	1,838,526	1,838,526

* Note - The Company has invested Euro 3.84 Million plus incidental expenses (Bal on 31.03.2012 in INR ₹ 33,83,50,511) 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 23rd February, 2012 however the tribunal has reserved the decision. Till date the Concordato Preventivo has not given any decision.

Note 10 Long-term loans and advances

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a)	Advance income tax (net of provisions) Unsecured, considered good	11,997,720	(9,101,478)
(b)	MAT credit entitlement - Unsecured, considered good	61,887,525	-
(c)	Balances with government authorities Unsecured, considered good		
	(i) Service Tax credit receivable	-	311,953
	(ii) Advance for Appeal 07-08	15,000,000	10,000,000
	(iii) Sales Tax Refundable	-	61,107
	Total	88,885,245	1,271,582

Note 11 Other non-current assets

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a)	Unamortised expenses		
	(i) Deferred Revenue Expenditure	15,711,210	20,531,846
	(ii) Expenses for increase in Authorised Capital	1,411,600	2,564,451
	(iii) Acquisition Cost	18,227,191	15,488,636
	(iv) Accumulated Amortization	(5,123,333)	(3,441,925)
	Total	30,226,668	35,143,008

Note 12 Inventories

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a)	Raw materials (including spare, tools, consumables & Bougtout)	507,418,406	251,075,037
(b)	Work-in-progress	319,519,457	106,939,560
	Land and Development Cost(WIP)	823,813,687	803,783,182
(c)	Finished goods (other than for trading)	77,503,443	53,635,157
	Total	1,728,254,993	1,215,432,936

(Inventories value at lower of cost and net realisable value)

Note 13 Trade receivables

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Trade receivables outstanding - (exceeding six months from the date they were due for payment)		
Secured, considered good	5,901,813	52,038,724
Unsecured, considered good	-	-
Doubtful	-	-
	5,901,813	52,038,724
Trade receivables outstanding - (Less than six months from the date they were due for payment)		
Secured, considered good	587,410,745	559,081,114
Unsecured, considered good	13,503,762	-
Doubtful	-	-
	600,914,507	559,081,114
Total	606,816,320	611,119,838

Note 14 Cash and cash equivalents

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a)	Cash on hand	372,056	1,833,398
(b)	Balances with banks		
	(i) In current accounts	10,516,415	27,098,771
	(ii) In deposit accounts (Maturing with in 12 months)	100,567,979	116,582,947
	(iii) In earmarked accounts		
	- Unpaid dividend accounts	677,083	507,196
	Total	112,133,533	146,022,312
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	112,133,533	146,022,312

Note 15 Short-term loans and advances

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Security deposits		
Secured, considered good		
Unsecured, considered good	12,880,683	11,655,095
Doubtful		
	12,880,683	11,655,095
(b) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	509,093	1,474,653
Doubtful		
	509,093	1,474,653
(c) Prepaid expenses	12,471,021	5,895,719
	12,471,021	5,895,719
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	159,525,073	141,699,330
(ii) Deposit for Sales Tax Appeal	5,000,000	-
(iii) Excise Rebate Claim	172,770	-
	164,697,842	141,699,330
(e) Advance for Land Purchase	38,960,437	26,806,350
Total	229,519,076	187,531,147

Note 16 Other current assets

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Others		
(i) Industrial Subsidy A/c Receivable	203,864,014	-
(ii) Others Current Asset	135,087,902	79,782,969
Total	338,951,916	79,782,969

Note 17 Revenue from operations

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(a) Sale of products	7,364,926,561	6,910,498,584
(b) Sale of services	3,355,994	5,853,261
(c) Other operating revenues	553,843,036	56,464,124*
	7,922,125,591	6,972,815,969
Less:		
(d) Excise duty	438,597,446	405,663,107
Total	7,483,528,146	6,567,152,862
* Other operating revenue includes VAT		

Note 18 Other income

	Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(a)	Interest income	20,630,050	24,735,724
(b)	Dividend income:		
	from current investments		
	others	62,426	27,649
(c)	Net gain/loss on sale of Asset	(311,307)	50,000
(d)	Other non-operating income	539,952	3,913,879
	Total	20,921,121	28,727,252

Note 19.a Cost of materials consumed

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Opening stock	251,075,037	243,307,464
Add: Purchases	5,570,933,591	4,298,430,491
	5,822,008,628	4,541,737,955
Less: Closing stock	507,418,406	251,075,037
Cost of material consumed	**5,314,590,222**	**4,290,662,918**
Material consumed comprises:		
Steel		
Total	5,314,590,222	4,290,662,918

Note 19.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Inventories at the end of the year:		
Finished goods	77,503,443	53,635,157
Work-in-progress	319,519,457	106,939,560
	397,022,900	160,574,717
Inventories at the beginning of the year:		
Finished goods	53,635,157	31,502,192
Work-in-progress	106,939,560	61,353,622
	160,574,717	92,855,814
Net (increase) / decrease	(236,448,183)	(67,718,903)

Note 20 Employee benefits expense

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Salaries and wages	479,005,706	385,333,763
Contributions to provident and other funds	10,917,892	7,196,053
Contributions to Gratuity	5,603,562	2,592,042
Expense on employee stock option (ESOP) scheme	11,049,425	4,647,269
Employee Insurance	8,778,721	1,326,453
Staff welfare expenses	80,759,462	64,822,241
Leave Encashment	3,440,707	1,735,266
Total	599,555,476	467,653,087

Note 21 Finance costs

	Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(a)	Interest expense on:		
	(i) Borrowings	222,888,495	122,337,157
	(ii) LC Including Charges	26,910,870	18,517,075
	(iii) Others		
	- Interest on delayed / deferred payment of taxes	11,989,358	4,279,542
	- Others	15,106,289	17,352,030
(b)	Other borrowing costs	3,315,510	3,570,032
(c)	Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	(5,791,152)	13,708,703
(d)	Bank Charges & Commission	31,404,212	19,410,514
	Total	305,823,582	199,175,053

Note 22 Other expenses

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Labour Charges (Manufacturing cost)	382,277,648	307,857,497
Power and fuel (Manufacturing cost)	111,071,698	85,214,408
Transport & Octroi (Manufacturing cost)	159,710,342	100,608,881
Transport Outward (Manufacturing cost)	45,025,982	30,279,875
Testing & Inspection Charges (Manufacturing cost)	2,105,686	1,065,071
Water Charges (Manufacturing cost)	5,006,221	2,816,314
Repairs and maintenance - Buildings	2,547,684	860,926
Repairs and maintenance - Machinery	15,220,972	5,360,411
Repairs and maintenance - Vehicle	2,477,307	2,671,857
Repairs and maintenance - Computer	6,965,101	5,113,218
Repairs and maintenance - Others	27,188,640	18,017,793
ERP & Software License Charges	2,545,568	508,269
Rent including lease rentals	10,590,049	10,697,135
Insurance	15,862,390	26,314,991
Insurance - Vehicle	301,163	246,711
Rates and taxes	3,788,914	4,517,677
Weighing Charges	569,810	292,176
Communication & Internet Charges	8,965,660	9,632,016
Travelling and conveyance	23,645,812	10,408,222
Foreign Travel Expenses	2,647,136	10,191,482
Warranty Charges (TML)	3,498,765	557,810
Printing and stationery	5,140,385	3,637,539
Membership & Subscription	188,136	180,115
Business promotion	24,076,097	9,922,024
Donations and contributions	279,694	247,726
Legal and professional Fees	56,576,870	29,077,573
Directors Sitting Fees	1,315,000	1,065,000
Security Charges	10,039,627	8,830,727
Houskeeping Charges	5,862,316	3,661,573
Payments to auditors (See Sub-Note)	4,481,012	4,675,877
Preliminary & Miscellaneous Expenses written off	5,247,887	6,473,486
Sundry Balance Writeoff (Net)	1,686,967	732,223
Sales Tax and Duties	-	415,804,559
Prior period items (See Sub-Note)	82,421,133	439,157
Research & Development Expenses	3,339,745	4,186,483
Miscellaneous expenses	11,570,003	42,096,021
Total	**1,044,237,420**	1,164,262,822

Sub-note to Notes 22

	Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(i)	Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - statutory audit	2,943,000	2,571,500
	As auditors - Internal audit	1,200,000	1,700,000
	Reimbursement of expenses	338,012	404,377
	Total	4,481,012	4,675,877
(ii)	Details of Prior period items (net)		
	Prior period expenses (Sales Tax Liability)	-	415,804,559
	Prior period expenses	82,421,133	439,157
	Prior period income	-	-
	Total	82,421,133	416,243,716

Note 23.a Exceptional items

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Industrial Subsidy	203,864,014	-
Total	203,864,014	-

Note 23.b Extraordinary items

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Extraordinary Items	-	-
Total	-	-

Note 24 Disclosures under Accounting Standard - 11 (The Effects of Changes in Foreign Exchange Rates)

The net exchange fluctuations profit of ₹ 57,91,152/- has been credited to the Profit & Loss account.

Note 25 Disclosures under Accounting Standard - 12 (Accounting for Government Grants)

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Details of government grants		
Government grants received by Autoline during the year towards		
- Subsidies (recognised under Industrial Promotion Subsidy)	203,864,014	-
- Duty drawback (recognised under Other operating revenues)	169,034	-
	204,033,048	-

Note 26 Disclosures under Accounting Standard - 15 (Employee benefit plans)

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to Employee Provident Fund Orginasation for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity - Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation of India.

ii. Other defined benefit plans - Medi Claim & Personal Accident Policy

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31 March, 2012		Year ended 31 March, 2011	
	Gratuity	Other defined benefit plans (Medi Claim)	Gratuity	Other defined benefit plans (Medi Claim)
Actual contribution To Benefit Plan for year - Autoline				
Actual contributions	5,603,562	8,719,712	2,592,042	1,267,443

Note 27 Disclosures under Accounting Standards - 16 (Borrowing Cost)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year in Autoline		
- as fixed assets - Tangible assets	10,725,328	-
- as fixed assets - Capital WIP	4,274,672	46,784,815
Total	**15,000,000**	**46,784,815**

Note 28 Disclosures under Accounting Standards - 17 (Segment Reporting)

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Press Sheet & Auto Components, Assemblies and Others. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are USA, Italy and India.

A. BUSINESS SEGMENT REPORTING

Particulars	For the year ended 31 March, 2012		
	Business segments		Total
	Press Sheet & Auto Components, Assemblies	Others	
External Segment Sales	7,459,108,846	24,419,299	7,483,528,145
Inter Segment Sales	-	-	-
Total Revenue	**7,459,108,846**	**24,419,299**	**7,483,528,145**
Segment result (Profit before Depreciation & Financial exp)	966,009,948	(552,723)	965,457,225
Unallocable Expenses	-	-	-
Operating Profit	**966,009,948**	**(552,723)**	**965,457,225**
Finance costs	(309,831,461)	4,007,879	(305,823,582)
Depreciation and Amortisation expense	(206,264,850)	(4,253,038)	(210,517,888)
Other Income	20,718,596	202,525	20,921,121
Profit Before Taxes	**470,632,233**	**(595,357)**	**470,036,876**
Tax expense	(73,422,320)	(1,725,101)	(75,147,421)
Net Profit for the year	**397,209,913**	**(2,320,458)**	**394,889,455**
Segment assets	5,567,170,139	1,237,709,319	6,804,879,458
Total Assets	**5,567,170,139**	**1,237,709,319**	**6,804,879,458**
Segment liabilities	3,746,557,019	10,124,903	3,756,681,922
Total Liabilities	**3,746,557,019**	**10,124,903**	**3,756,681,922**
Other information :-			
Capital expenditure :-			
Tangible Assets (Net Block)	2,716,104,131	2,399,348	2,718,503,479
Intangible Assets (Net Block)	142,520,838	5,694,632	148,215,470
Depreciation and amortisation	206,264,850	4,253,038	210,517,888

B. GEOGRAPHIC SEGMENT REPORTING

Particulars	Revenues For the year ended 31 March, 2012	Segment assets As at 31 March, 2012	Capital expenditure incurred during the year ended 31 March, 2012	
			Tangible	Intangible
	₹	₹	₹	₹
India (Domestic)	5,794,414,756.00	5,892,835,391	2,585,975,866	148,215,470
Others (Overseas)	1,689,113,389.74	912,044,067	132,527,613	-
Total	7,483,528,145.74	6,804,879,458	2,718,503,479	148,215,470

Note 29 Disclosures under Accounting Standards - 18 (Related party transactions)

1. Details of related parties:

	Description of relationship	Names of related parties
1)	Associates	**Indian**
		i) Nuvent Technologies Pvt. Ltd.
		Foreign
		i) DEP Autoline Inc USA
2)	Key Management Personnel (KMP)	
	Managing Director	Mr. Shivaji Akhade
	Managing Director & CEO	Mr. M. Radhakrishnan
	Wholetime Director	Mr. Sudhir Mungase
	Chairman (Non-executives Director)	Mr. Prakash B. Nimalkar
	Chairman Emeritus	Mr. Vilas Lande
3)	Relatives of KMP	-
4)	Companies/Entities in which KMP / Relatives of KMP can exercise significant influence	i) Balaji Enterprises
		ii) Shreeja Enterprises
		iii) Sumeet Developers
		iv) Siddhai Platers Private Ltd.
		v) Om Sai Transport
		vi) Hotel Vishwa Vilas
		vii) Hotel Aishwarya Biiyani House
Note: Related parties have been identified by the Management and relied upon by the Auditors.		

2. Details of related party transactions during the year ended 31 March, 2012:

Particulars		Entities in which KMP / relatives of KMP have significant influence	KMP	Relatives of KMP	Total
Purchase of goods					
	Current Year	44,457,599	-	-	44,457,599
	Previous Year	29,320,507	-	-	29,320,507
Sale of goods					
	Current Year	13,484,845	-	-	13,484,845
	Previous Year	25,059,927	-	-	25,059,927
Transportation					
	Current Year	12,131,574	-	-	12,131,574
	Previous Year	11,277,893	-	-	11,277,893
Repair & Maintenance Charges					
	Current Year	-	-	-	-
	Previous Year	-	-	-	-
Rent Received					
	Current Year	-	-	-	-
	Previous Year	-	-	-	-

Interest Paid				
Current Year	-	-	-	-
Previous Year	-	-	-	-
Interest Received				
Current Year	-	-	-	-
Previous Year	-	-	-	-
Rendering of services				
Current Year	-	-	-	-
Previous Year	-	-	-	-
Receiving of services				
Current Year	333,773	1,800,000	-	2,133,773
Previous Year	177,086	1,985,400	-	2,162,486
Directors Remuneration				
Current Year	-	18,000,000	-	18,000,000
Previous Year	-	18,000,000	-	18,000,000
Commission				
Current Year	-	400,000	-	400,000
Previous Year	-	400,000	-	400,000
Director Sitting Fees				
Current Year	-	630,000	-	630,000
Previous Year	-	515,000	-	515,000

Note 30 Disclosures under Accounting Standards - 20 (Earning Per Share)

Particulars	**For the year ended 31 March, 2012**	**For the year ended 31 March, 2011**
	₹	**₹**
1. Basic Earning Per Share		
Continuing operations		
Net profit / (loss) for the year from continuing operations	396,750,147	273,394,508
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	**396,750,147**	**273,394,508**
Weighted average number of equity shares	**12,204,969**	**12,204,969**
Par value per share	10	10
Earnings per share from continuing operations - Basic	**32.51**	**22.40**
2. Diluted Earning Per Share		
Continuing operations		
Net profit / (loss) for the year from continuing operations	396,750,147	273,394,508
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	396,750,147	273,394,508
Add: Interest expense and exchange fluctuation on convertible bonds(net)	-	-
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	**396,750,147**	**273,394,508**
Weighted average number of equity shares for Basic EPS	12,204,969	12,204,969
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	**12,204,969**	**12,204,969**
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	**32.51**	**22.40**

Note 31 Disclosures under Accounting Standards - 21 (Consolidated Financial Statements)

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 Subsidiary Companies	Country of Incorporation	As at 31-03-12 Proportion of Ownership Interest either directly or through subsidiary	As at 31-03-11 Proportion of Ownership Interest either directly or through subsidiary
Indian Subsidiaries			
i) Autoline Design Software Limited	India	100.00%	100.00%
ii) Autoline Industrial Parks Limited	India	51.12%	51.12%
Foreign Subsidiaries			
i) Autoline Industries USA INC	USA	100.00%	100.00%
ii) Koderat Investments Ltd	Cyprus	100.00%	100.00%

Note 32 Disclosures under Accounting Standards - 22 (Deferred Tax Asset/Liability)

Particulars	**As at 31 March, 2012**	**As at 31 31 March, 2011**
Deferred Tax Liability :		
Opening Balance :	85,565,829	64,891,500
Add: Transferred from Merged Entities	-	8,320,829
Add: Current Year Provision	30,250,000	12,353,500
Closing Balance	**115,815,829**	**85,565,829**
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		
Deferred Tax Liabilities	117,883,677	86,438,529
Deferred Tax Asset	2,067,848	872,700
Deferred Tax Liabilities (Net)	**115,815,829**	**85,565,829**
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	86,438,529	68,813,700
Add: Transferred from Merged Entities	-	8,320,829
Add: Current Year Provision	31,445,148	9,304,000
Total	**117,883,677**	**86,438,529**
Deferred Tax Assets :		
Tax impact of expenses allowable as deduction in future years under Income Tax :	872,700	3,922,200
Less: Transferred to share premium a/c	-	-3,049,500
Add: Current Year Provision	1,195,148	-
Closing Balance	**2,067,848**	**872,700**

The deferred tax liability (Net) for the year under consideration amounting to ₹ 3,02,50,000/- has been recoginzed in Profit and Loss Account. The Provision for Deferred Tax Liability for the current year of ₹ 3,02,50,000/- is provided on the timing difference of the expenditure, depreciation and write offs.

Note 33 Disclosures on Employee share based payments - (Guidelines notes issued by ICAI)

a) In the extraordinary general meeting of Autoline held on 27th Sept, 2008, the shareholders approved the issue of 8,50,000 options under the Scheme titled "Autoline ESOS 2008" (ESOP A).

The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option shall not be less than 85 per cent of the "Market Price" as defined in the Scheme. The options granted vest over a period of 6 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 5 years from the date of vesting.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

b) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	During the year ended 31 March, 2012		During the year ended 31 March, 2011	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year :				
- ESOP A	170691	25	Nil	-
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Granted during the year:				
- ESOP A	Nil	-	175000	25
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Vested during the year:				
- ESOP A	Nil	-	Nil	-
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Exercised during the year:				
- ESOP A	Nil	-	Nil	-
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Lapsed during the year:				
- ESOP A	7151	25	4309	25
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Options outstanding at the end of the year:				
- ESOP A	163540	25	170691	25
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Options available for grant:				
- ESOP A	686460	25	679309	25
- ESOP B	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-

c) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	**31 March, 2012**	**31 March, 2011**
Risk Free Interest Rate	7.00%	7.00%
Expected Life	Average life taken as 1 year from date of Grant (Vest)	Average life taken as 1 year from date of Grant (Vest)
Expected Annual Volatility of Shares	45%	45%
Expected Dividend Yield	Not separately included, factored in volatility working	Not separately included, factored in volatility working

Note 34 Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note 35 Additional information to the financial statements

1. Contingent liabilities and commitments

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(i)	Contingent liabilities		
(a)	Claims against the Company not acknowledged as debt		
	In Autoline		
	- Income Tax Department For Assessment Year 08-09	29,296,660	34,296,660
	- Sales Tax Duties For Assessment Year 01-02 & 02-03	23,500,000	-
(b)	Bank Guarantee		
	In ADSL	350,000	350,000
(c)	Corporate Guarantees on behalf of Autoline Industries Indiana LLC, USA In Autoline		
	- In Favour of Tower Bank Trust Company	$6,150,000	$6,150,000
	- In Favour of Mill Steel Co.	-	$1,000,000
(d)	Other money for which the Company is contingently liable		
	In ADSL		
	Unpaid Dividend on 12% Cumulative Redeemable Preference Shares for the years 2007-08 to 2011-12 ₹ (₹ 16,95,511/-)	8,478,022	6,782,511
(ii)	Commitments		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	- Tangible assets		
	In Autoline	100,000,000	800,000,000
	In ADSL	10,000,000	10,000,000
	In AIPL	20,000,000	20,000,000

2. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
	In Autoline		
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,404,214	4,394,198
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	867,206	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	867,206	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	867,206	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	97,461	-

Note :- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

3. Value of imports calculated on CIF basis

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Raw materials & Component		
In Autoline	36,637,671	3,360,981
In ADSL	-	120,185
Capital goods		
In Autoline	60,357,339	7,170,584

4. Expenditure in foreign currency

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
In Autoline		
Foreign Travel	605,754	668,408
Professional and consultation fees	4,365,107	5,867,202
Testing Charges	41,650	-
Repayment of Loan	122,105,128	136,209,150
Interest - Bank	4,910,042	54,755,009
In ADSL		
Software Upgradation	48,943	-

5. Amounts remitted in foreign currency during the year on account of dividend

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
In Autoline		
Amount of dividend remitted in foreign currency	1,032,837	1,041,714
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	7	6
Total number of shares held by them on which dividend was due	344,279	520,857
Year to which the dividend relates	2010-11	2009-10

6. Details of consumption of imported and indigenous items

Particulars		For the year ended	
		₹	%
Imported			
Raw materials & Component			
In Autoline (Manufacture goods)			
	Current Year	36,637,671	0.69%
	(Previous Year)	3,360,981	0.08%
	Total Current Year	36,637,671	0.69%
	(Total Previous Year)	3,360,981	0.08%
Indigenous			
Raw materials & Component			
In Autoline (Manufacture goods)			
	Current Year	4,316,387,199	81.22%
	Previous Year	3,301,157,383	76.94%
In ADSL (Traded goods)			
	Current Year	6,720,466	0.13%
	Previous Year	4,373,511	0.10%
	Total Current Year	4,323,107,665	81.34%
	Total Previous Year	3,305,530,894	77.04%
Consumption of Foreign Subsidiaries			
In Butler			
	Current Year	954,844,886	17.97%
	Previous Year	981,771,043	22.88%
	Total Current Year	954,844,886	17.97%
	Total Previous Year	981,771,043	22.88%

7. Earnings in foreign exchange

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
In Autoline		
i) Export of goods calculated on FOB basis	71,821,230	36,634,834
ii) Amounts received in foreign currency during the year	53,650,403	25,835,783
In ADSL		
i) Export of goods calculated on FOB basis	8,554,773	6,041,101

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 28th APRIL, 2012

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2012. (CONSOLIDATE)

36 SIGNIFICANT ACCOUNTING POLICIES

36.1 Basis of accounting and preparation of financial statements:

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, 2012. 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.

36.2 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"), subsidiaries incorporated in India viz. Autoline Design Software Ltd. (hereinafter referred as "ADSL"), Autoline Industrial Parks Ltd. (hereinafter referred as "AIPL") and outside India viz. Autoline Industries USA INC (hereinafter referred as "Butler"), Koderat Investments Limited (hereinafter referred as "Koderat").

36.3 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.

b) Work in progress are valued at cost plus appropriate production overheads.

c) Finished Goods are valued at cost of manufacturing plus appropriate production overheads.

d) Cost includes taxes and duties paid/payable on such goods, wherever applicable.

36.4 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

36.5 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

36.6 Events occurring after the date of Balance Sheet:

Material events occurring after the date of Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

36.7 Prior Period Items and Changes in Accounting Policies:

There is no change in the Accounting Policies, except in case of presentation of inventory Tools & Dies for sale which were previously shown under capital WIP now the same are routed through statement of Profit & Loss Account, which are being consistently applied by the company. No Prior Period items have materially affected this year's financial statements. Figures of previous year have been regrouped, rearranged and stated in line with the current year's presentation.

36.8 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, 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.

36.9 Revenue recognition:

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.

d) Insurance Claims receivable from Insurance Companies against risks covered are accounted on in the year of receipt of claim.

36.10 Fixed Asset:

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.

36.11 Research & Development :

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 not exceeding ten years.

36.12 Foreign currency transactions and translations:

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.

36.13 Government grants, subsidies and export incentives:

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. The same is treated as revenue/ capital as per the scheme framed by the Government and the same is routed through statement of Profit & Loss account.

36.14 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.

36.15 Employee benefits Costs:

Contribution to Provident Fund are accrued in accordance with applicable statues 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. The liability in respect of Bonus and for Leave Encashment is provided on actual basis.

36.16 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.

36.17 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.

36.18 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

36.19 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.

Current and deferred tax relating to items directly recognised in equity is recognised in equity and not in the Statement of Profit and Loss Account.

36.20 Deferred Tax- Asset/ Liability :

The Accounting Standard 22 "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.

36.21 Miscellaneous Expenditure :

Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.

36.22 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.

36.23 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.

36.24 Provisions and contingencies:

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.

36.25 Capital work in Progress :

The Expenditure which are of Capital nature and the assets for which it is incurred which has not come into existence/put to use during the year is shown under this head.

36.26 Tools & Dies :

Tools & Dies designed/ manufactured in house have been capitalised considering direct cost of the material, wages paid to tool room employees, and other incidental expenses and proportionate overheads including borrowing cost related thereto.

36.27 Set-off of Borrowings from Bank against pledged fixed Deposits:

The company is having loans from banks against pledge of fixed deposits. In such cases the same loans are set off against such fixed deposits and the balance is shown as FDR with respective bank. The interest on loan and interest due on Fixed deposit is accounted as per the amount credited/ debited by the Bank.

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 31.3.2012		Net aggregate amount of Profit / (loss) of the Subsidiary for the financial year ended 31.3.2012 So far as they concern members of the company		Net aggregate amounts of the Profits / loss for the pervious Financial years of the Subsidiary Company since it became Subsidiary so far as they concern members of the company as on 31.03.2012	
			Number & face value	Extent of Holding (%)	Dealt with in the accounts of the Company for the year ended 31.3.2012	Not dealt within the accounts of the Company for the year ended 31.3.2012	Dealt with in the accounts of the company for the year ended 31.3.2012	Not dealt within the accounts of the company for the year ended 31.3.2012
1	Autoline Design Software Limited	31.3.2012	1). 21,40,816 fully paid up equity shares of ₹ 10/- each 2). 14,12,926 (12% Cumulative Redeemable Pref. Shares of ₹ 10/- each fully paid)	100%	34,80,066	NIL	1,08,96,283	19,55,109
2	Autoline Industrial Parks Ltd	31.3.2012	2,48,24,994 fully paid up equity shares of ₹ 10/- each	51.12%	(19,45,962)	(18,60,693)	1,13,64,168	1,07,41,411
3	Autoline Industries INC USA	31.3.2012	19,00,000 Stock of $ 1 each fully paid	100%	6,58,40,702	NIL	13,88,72,937	NIL
4	Koderat Investments Limited, Cyprus	31.3.2012	1,000 Shares/ Stock of Euro 1 each fully paid	100%	(53,53,878)	NIL	(98,65,714)	NIL

Place : *Pune*

Date : *28th APRIL, 2012*

FOR AND ON BEHALF OF BOARD
AUTOLINE INDUSTRIES LIMITED

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director & CEO

RAVI KETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

Details of Balance Sheet and Profit and Loss Account of Subsidiary Companies for the year Ended 31.03.2012

		INDIAN SUBSIDIARIES		FOREIGN SUBSIDIARIES	
SR. NO	PARTICULARS	AUTOLINE DESIGN SOFTWARE LIMITED	AUTOLINE INDUSTRIAL PARKS LIMITED	AUTOLINE INDUSTRIES USA., INC	KODERAT INVESTMENTS LIMITED CYPRUS
1	Share Capital	35,537,420	485,602,500	155,556,300	67,280
2	Reserve and Surplus	8,287,254	286,238,080	81,116,270	(9,317,355)
3	Total Assets	51,825,552	864,801,383	582,943,631	329,100,436
4	Total Liabilities	8,000,878	92,960,803	346,271,060	338,350,511
5	Details of Investment	-	-	-	-
	Government	-	-	-	-
	Securities	-	-	-	-
	Shares (Excluding Subsidiaries)	-	-	-	-
	Mutual Funds	-	125,567	-	-
6	Turnover and Other Income	31,530,661	8,891	1,700,528,922	-
7	Profit before Taxation	5,524,173	(3,924,554)	98,765,854	(5,353,878)
8	Provision for Taxation	2,044,109	(117,899)	32,925,152	-
9	Profit after Taxation	3,480,064	(3,806,655)	65,840,702	(5,353,878)
10	Proposed Dividend	-	-	-	-

Notes:

1 **In Respect of Foreign Subsidiaries:**

a) For Autoline Industries USA, INC:- Item Nos. 1 to 5 are translated at exchange rate as on 31st March 2012-USD = ₹ 51.85.

b) Item Nos. 6 to 9 are translated as follows:

i) For Autoline Industries USA INC. at monthly end average exchange Rate: USD= ₹ 48.12

c) For Koderat Investments Limited : Item Nos. 1 to 9 are translated at the exchange rate prevailing on the date of transaction.

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.

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AUTO LINE

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 16th Annual General Meeting of the Company at S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka -Khed, Dist-Pune- 410 501 on Thursday, 27th September, 2012 at 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.

TEAR HERE

AUTO LINE

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 16th Annual General Meeting of the Company to be held on Thursday, 27th September, 2012 at 2.30 p.m. and / or at any adjournment thereof.

Ledger Folio / ID No.		**No. of Shares**	

Signed this ______________________ day of _________ 2012.

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

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TEAR HERE

AUTO LINE

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 : ______________________________

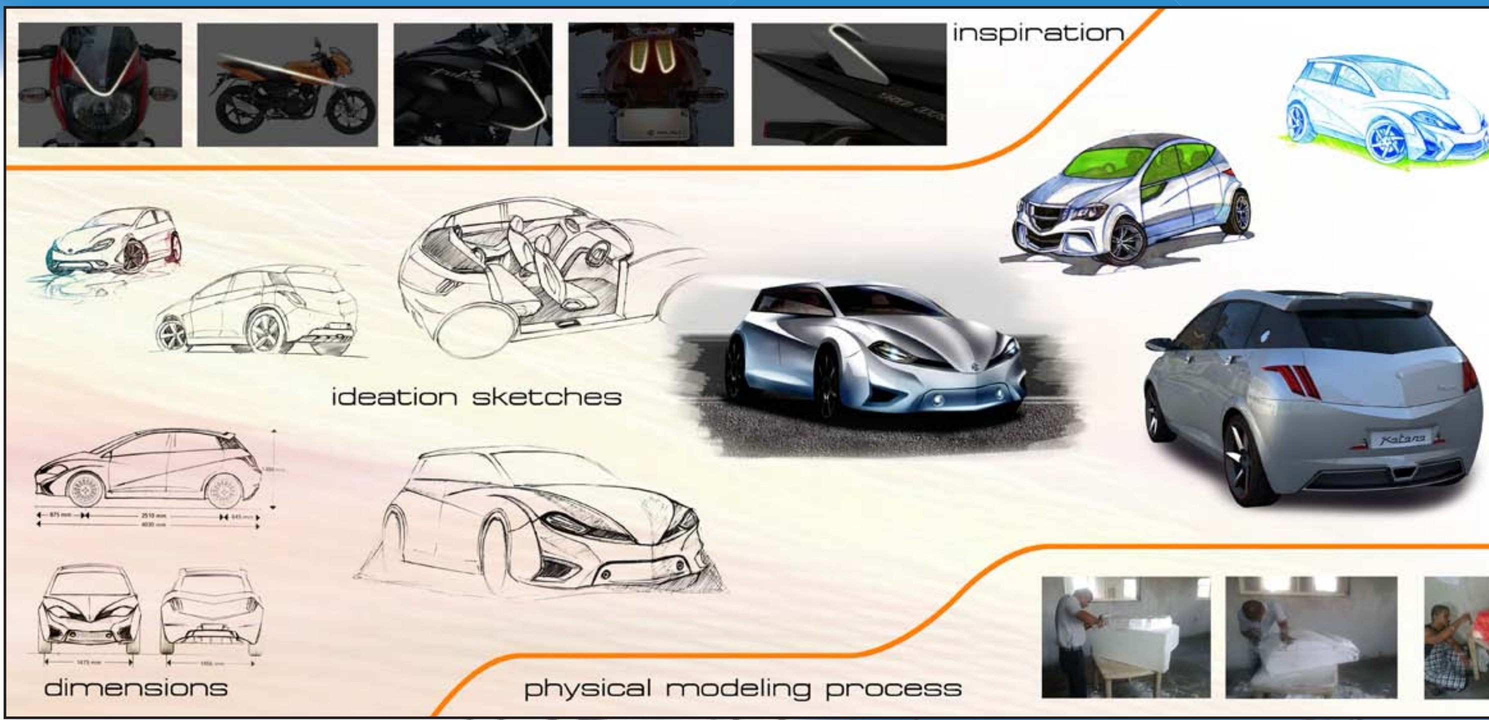
Branch ____________________________________

Date : ___________________________________

Signature of Shareholder/s ______________________

Air-Conditioned Volkswagen Pedal Assembly Line - E-12-17 (8), MIDC, Bhosari, Pune - 411 026

New High Deck Load Body Assembly Line - Uttarakhand



AUTO LINE

GROWTH WITH INNOVATION